CASTLE TRADERS LIMITED

[CIN:L51909TN1983PLC045632]

(GST No.333AABCC8853F1ZR)

Regd.Office:No.617,'Bharat Kumar Bhavan', Anna Salai, Chennai – 600006
Www.Castletraders.In; E-Mail-Cs@Khivrajmail.Com; Tel:044 -42269666

ANNUAL REPORT

FOR THE

FINANCIAL YEAR

2017-18

Name	**CASTLE TRADERS LIMITED**
CIN	L51909TN1983PLC045632
GST	GST No.333AABCC8853F1ZR
Registered Office	NO.617, 'BHARAT KUMAR BHAVAN', ANNA SALAI, CHENNAI – 600006 www.castletraders.in E-Mail:cs@khivrajmail.com TEL: 044 -42269666
Board of Directors	Mr.BHARAT KUMAR CHORDIA **Whole-Time Director** Mr.V.RAJAMANICKAM **Non-Executive Dirctor** Mr.RAHUL BAID **Independent Director** Mrs.PRASSAN KUMARI CHORDIA **Promoter And Woman Director** Mr.A.LAKSHMI NARAYANAN **Independent Director**
Chief Financial Officer	Mr.L.VIJAY PRASAD
Company Secretary	Mrs.S.VIJAYALAKSHMI
Registrars and Share Transfer Agents	CAMEO CORPORATE SERVICES LIMITED, "SUBRAMANIAN BUILDING" No.1,CLUB HOUSE ROAD, CHENNAI – 600002 TEL.2846 0390
Depositories	CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED NATIONAL SECURITIES DEPOSITORY LIMITED
Stock Exchange	METROPOLITAN STOCK EXCHANGE OF INDIA LIMITED (MSEI)

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the **35th** Annual General Meeting of the members of Castle Traders Limited will be held on **Monday**, the **23rd July 2018** at **2.00 p.m**. at No.617, New No.418, 'Bharat Kumar Bhavan', Anna Salai, Chennai to transact the undermentioned businesses;

<u>ORDINARY BUSINESS:-</u>

1. To receive, consider and adopt:

a) the audited annual financial statement such as the audited Balance Sheet as on 31st March 2018, the statement of Profit and Loss Account for the financial year from 1st April 2017 to 31st March 2018 together with the Notes to Accounts and Cash Flow Statement appended thereto and the Report of Auditors thereon as well as the Board's Report and its annexure and for that purpose **to consider and if thought fit, to pass with or without modifications, the undermentioned Resolution as ORDINARY RESOLUTION:**

"RESOLVED, that the Annual financial statement such as Audited Balance Sheet as on 31st March 2018, Statement of Profit and Loss Account for the financial year from 1st April 2017 to 31st March 2018 together with the Notes to Accounts and audited Cash Flow Statement appended thereto together with the Board's Report and its annexure and the Reports of Secretarial and Statutory Auditors Reports thereon be and hereby are considered, approved and adopted."

b) the consolidated annual financial statement such as the audited Balance Sheet as on 31st March 2018, the statement of Profit and Loss Account for the financial year from 1st April 2017 to 31st March 2018 together with the Notes to Accounts and Cash Flow Statement appended thereto and the Report of Auditors thereon and for that purpose **to consider and if thought fit, to pass with or without modifications, the undermentioned Resolution as ORDINARY RESOLUTION:**

"**RESOLVED,** that the consolidated annual financial statement such as audited Balance Sheet as on 31st March 2018, the statement of Profit and Loss Account for the financial year from 1st April 2017 to 31st March 2018 together with the Notes to Accounts and audited Cash Flow Statement appended thereto together with the Auditor's Report thereon be and hereby are considered, approved and adopted."

2. To appoint a Director in the place of retiring director, **Mr.V.Rajamanickam** who is eligible, and offers himself for re-appointment and for that purpose **to consider and if thought fit, to pass with or without modifications, the undermentioned Resolution as ORDINARY RESOLUTION:**

"**RESOLVED,** that pursuant to Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors Rules) 2014 and as per the applicable provisions of the Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India, and also as per the SEBI (LODR) Regulations, 2015, Mr.V.Rajamanickam,[DIN:00049594], director who retires by rotation and being eligible offers himself for re-appointment, be and hereby is re-appointed as a director of the company."

Date**: June 26, 2018**
Place: Chennai

BY ORDER OF THE BOARD

S.VIJAYALAKSHMI
COMPANY SECRETARY

NOTES:

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy instead of himself/herself to attend and vote at the meeting and such a proxy need not be a member. The proxies in order to be valid must be received by the company not less than 48 hours before the commencement of the meeting.
2. The pursuant to Section 105 of the Companies Act, 2013, a person shall not act as a proxy for more than 50 (fifty) Members and holding in aggregate of not more than 10% of the total share capital of the company. However, a single person may act as a proxy for a member holding more than 10% of the total share capital of the company provided that such person shall not act as a proxy for any other person or shareholder.
3. Proxy holder shall prove his identity at the time of attending the Meeting. A Proxy Form which does not state the name of the Proxy shall be considered as invalid.
4. The holder of securities may vote either for or against each resolution.
5. The Corporate members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of Companies Act, 2013 ("the Act") are requested to send to the Company a certified copy of the Board resolution authorizing their representatives to attend and vote on their behalf at the Meeting.
6. The Proxy form(s) and certified copy of the Board resolution(s) authorizing representative(s) to attend and vote at the Meeting shall be sent to the registered office of the Company and addressed to the "Secretarial Department".
7. The Annual Report of the Company for the year 2017-18, circulated to the Members of the Company, is available on the Company's website viz. www.castletraders.in
8. In terms of the listing Regulations, it is mandatory to furnish a copy of PAN card to the Company or its RTA in the following cases viz. transfer of shares, deletion of name, transmission of shares and transposition of shares.
9. All documents referred to in the Notice will be available for inspection at the Company's registered office during the office hours.
10. The route map of the venue of the Meeting is given in the Notice. The prominent landmark for the venue is, **"Anna Salai KTM".**
11. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
12. The company is providing facility for voting by electronic means and the business may be transacted through such voting.
13. The facility of voting through ballot or polling paper shall also be made available at the meeting and the members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.
14. The members who have cast their vote by remote-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
15. The Members are requested to notify immediately any change of address:
    i.to their Depository Participants ("DPs") in respect of the shares held in electronic form, and
    ii.to the Company or its RTA, in respect of the shares held in physical form together with a proof of address viz. Electricity Bill, Telephone Bill, Ration Card, Voter ID Card, Passport etc.
16. The Register of Members and the Share transfer books of the Company will be closed from Monday, the **16thJuly 2018 to Monday, the 23rdJuly 2018** (both days inclusive).
17. Disclosures pursuant to Regulations 26 and 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") with respect to Directors seeking re-appointment at the Meeting is attached hereto.
18. Ratification of auditors by the members is not required as per the Companies Act (Amendment) Act, 2017

Annexure to the Notice

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

♣ Item No.2

Details of Mr.V.Rajamanickam [DIN:00049594] Director, as per Regulation 26 and 36 of the SEBI (LODR) Regulations 2015 and the SS-2 Secretarial Standard on General Meetings, seeking appointment / re-appointment at the ensuing 35th Annual General Meeting.

PARTICULARS	
Name of the Director	V.Rajamanickam
Date of Birth	04/08/1945
DIN	00049594
PAN	AABPR9101N
Address	39/2, Habibullah Road, T.Nagar, Chennai - 600017
Experience in specific functional areas	Finance, Wind mill, Automobiles and Real Estate Activities
Shareholding in the company	11,500 shares
Date of first appointment	15/12/1993
List of Companies in which Directorships held	Castle Traders Limited
Committee Membership in other public limited companies	NIL
Number of Board Meetings attended during last year	5 [Five]
Terms and Conditions of the appointment	Nil
Remuneration to be paid	Nil
Last drawn remuneration	Nil
Disclosure of relationship with other directors and key managerial personnel	Not applicable

Except Mr.V.Rajamanickam, none of the directors are interested in the Resolution.

The directors have recommended the Resolution for the approval of the members.

Date: June 26, 2018 **BY ORDER OF THE BOARD**
Place: Chennai

S.VIJAYALAKSHMI
COMPANY SECRETARY

E-VOTING FACILITY

As per the section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, e-voting facility is a mandatory requirement for listed companies.

The instructions for shareholders voting electronically are as under:

i)		The voting period begins on **19th July 2018** at **9.00 A.M.** and ends on **22nd July 2018** at **5.00 P.M.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **16th July 2018**, may cast their vote electronically.	
ii)		The e-voting module shall be disabled by CDSL for voting thereafter	
iii)		The process and manner for voting by electronic means:-	
	a.	The shareholders should log on to the e-voting website www.evotingindia.com.	
	b.	Click on Shareholders / Members:-	
	c.	Enter your **User ID** as categorised below	
		For CDSL: 16 digits beneficiary ID,	
		For NSDL: 8 Character DP ID followed by 8 Digits Client ID,	
		Members holding shares in Physical Form should enter Folio Number registered with the Company as **User ID**. • In Case the Folio number is less than 8 digits enter the applicable 0's before the folio number • Eg if the Folio number is 100 then enter 00000100 as user ID.	
	d.	Enter the Image Verification as displayed.	
	e.	If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.	
	f.	If you are a first time user or holding shares in physical form follow the steps given below:	
		Enter PAN and Date of Birth **or** PAN and Bank Account Number (Dividend Account)	
		PAN	• Enter your 10 digit alpha-numeric *PAN • Members who have not updated their PAN with the Company/Depository Participant are requested to use the **sequence number** which is mentioned in the address label as PAN. • In Case the sequence number is less than 8 digits enter the applicable, 0's before the number after the first Two characters of the name in CAPITAL Letters. Eg if your Name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
		DOB	Enter the Date of Birth in **dd/mm/yyyy** format.
		Bank Account Number (Dividend Account)	• Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. • If the details are not recorded with the depository or company please enter the **member id or folio number** in the place of Bank account Number. • In Case the **member id or folio number** is less than 8 digits enter the applicable 0's before the folio number. Eg if the Folio number is 100 then enter 00000100

<table>
<tr><td></td><td>g.</td><td colspan="2">After entering these details appropriately, click on "SUBMIT" tab.</td></tr>
<tr><td></td><td></td><td>a.</td><td>Members holding shares in physical form will then directly reach the Company selection screen.</td></tr>
<tr><td></td><td></td><td>b.</td><td>• Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field.
• Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform.
• It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.</td></tr>
<tr><td></td><td>h.</td><td colspan="2">For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.</td></tr>
<tr><td></td><td>i.</td><td colspan="2">Click on the EVSN of 180625002 on which you choose to vote.</td></tr>
<tr><td></td><td>j.</td><td colspan="2">On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.</td></tr>
<tr><td></td><td>k.</td><td colspan="2">Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.</td></tr>
<tr><td></td><td>l.</td><td colspan="2">After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.</td></tr>
<tr><td></td><td>m.</td><td colspan="2">Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.</td></tr>
<tr><td></td><td>n.</td><td colspan="2">You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.</td></tr>
<tr><td></td><td>o.</td><td colspan="2">If Demat account holder has forgotten the changed login password then enter the User ID and the image verification code and click on Forgot Password& enter the details as prompted by the system.</td></tr>
<tr><td></td><td>p.</td><td colspan="2">Note for Non – Individual Shareholders and Custodians
• Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.comand register themselves as Corporate.</td></tr>
<tr><td></td><td>q.</td><td colspan="2">A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.</td></tr>
<tr><td></td><td>r.</td><td colspan="2">After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.</td></tr>
<tr><td></td><td>s.</td><td colspan="2">The list of accounts should be mailed to helpdesk.evoting@cdslindia.comand on approval of the accounts they would be able to cast their vote.</td></tr>
</table>

	t.	A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
iv.		In case you have any queries or issues regarding e-voting, you may refer the frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
v.		The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date /record date of **16thJuly 2018.**
vi		The Company shall be making arrangement for the member to cast their votes in respect to the business through poll/ballot paper, for members attending the meeting who have not cast their vote by voting.
vii.		Mr.P.V.Umapathy, B.A, B.L., advocate, [Enrolment No.319/1981] M/s.P.V.Umapathy Law & Associates, Chennai, have been appointed as the Scrutinizer to scrutinise the e-voting process in a fair and transparent manner.
viii		The Scrutinizer shall, immediately after the conclusion of voting at the General Meeting, first count the votes cast at the meeting, thereafter unlock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and make not later than three days of conclusion of the meeting a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same and Chairman shall declare the results of the voting forthwith, which shall not be later than **05.00 pm., 25th July, 2018.**
ix		The result declared, along with the Scrutinizer's report shall be placed on the company's websitewww.castletraders.in and on the website of the CDSL after the result is declared by the Chairman and also be communicated to the Stock Exchange where the company is listed.

=================================TEAR HERE================================

Name of the company : **CASTLE TRADERS LIMITED**
CIN :L51909TN1983PLC045632
Registered office Address: : No.617, Anna Salai, Chennai 600006

Attendance Slip

(please complete this slip and hand it over at the entrance of the hall)

I hereby accord my presence at the 35th Annual General Meeting of the Company on **Monday, the 23rd July 2018 at 2.00 p.m.** at No.617, New No.418, 'Bharat Kumar Bhavan', Anna Salai, Chennai – 600006

Folio No.:

Name of the Shareholder:

No. of Shares held:

Name of Authorized Representative:

Signature of shareholder/ Representative

=================================TEAR HERE================================

================================TEAR HERE================================

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the company: **CASTLE TRADERS LIMITED**
CIN :L51909TN1983PLC045632
Registered Office Address: No.617, 'Bharat Kumar Bhavan', Anna Salai, Chennai 600006
Name of the member (s):
Registered address:

I,We, being the member (s) holding .... share of the above-named company, hereby appoint
1. Name:
Address:
E-mail Id:
Signature:…………….,

as my/our proxy to attend and vote (on a poll) for me/ us and on our behalf at the Annual General Meeting of the company, to be held on **Monday, the 23rd July 2018 at 2.00 p.m.** at No.617, New No.418, 'Bharat Kumar Bhavan', Anna Salai, Chennai – 600006 and at any adjournment thereof in respect of such resolutions as are indicated below:

I/we wish my above proxy (ies) to vote in the manner as indicated in the box below:-

No.	Description	For	Against
1a	To approve the standalone audited annual financial statement as on 31st March 2018;		
1b	To approve the consolidated audited annual financial statement as on 31st March 2018;		
2	To appoint a Director in the place of retiring director, Mr.V.Rajamanickam, who is eligible and offers himself for re-appointment.		

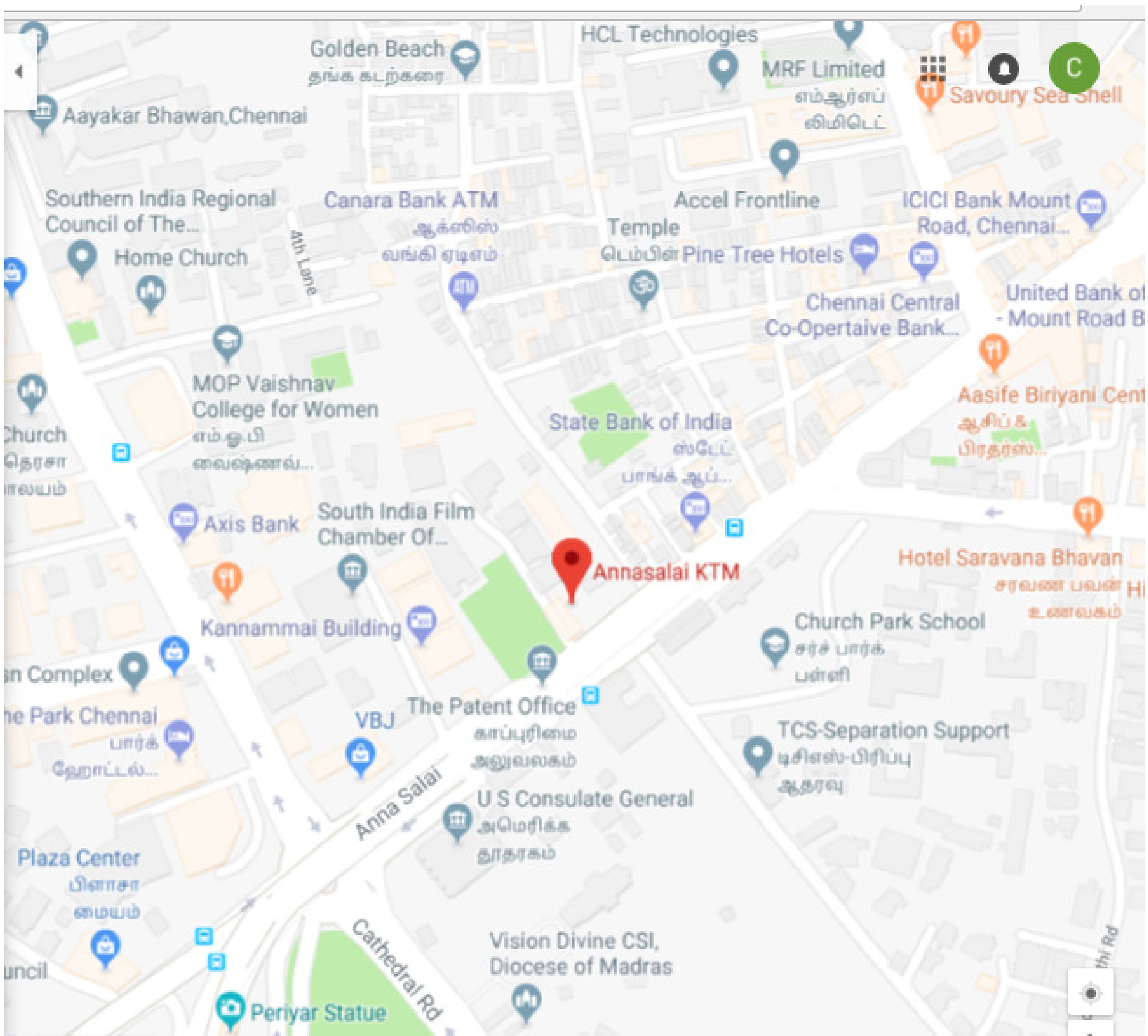
Signed this…… day of 2018
Signature of shareholder
Revenue
Stamp
Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

================================TEAR HERE================================

Route map:-

Prominent landmark: - Anna Salai KTM – Opp. to American Embassy



BOARD'S REPORT

[As per Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules 2014 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014]

To the Members,
Castle Traders Limited,
Chennai

Your Directors have pleasure in submitting their 35th Annual Report of the Company together with the Audited Annual Financial Statements for the period ended 31st March, 2018.

- **FINANCIAL RESULTS (stand alone and consolidated):-**

The Company's financial performance for the previous and current financial year is under review:-

	Particulars for the financial year ended 31st March 2018 (Amt. in Rs.)	Particulars for the financial year ended 31st March 2017 (Amt. in Rs.)	Particulars for the financial year ended 31st March 2018 (Amt. in Rs.)	Particulars for the financial year ended 31st March 2017 (Amt. in Rs.)
	Standalone		Consolidated	
Total Income	19,84,22,566	3,32,624	19,84,22,566	3,32,624
Total Comprehensive income	13,98,503	32,57,261	(17,42,384)	37,56,010
Total Expenses	19,65,21,832	15,54,511	19,65,21,832	15,54,511
Depreciation and Amortization Expenses	12,372	1,041	12,372	1,041
Profit /(Loss) for the year	19,00,734	(12,21,887)	19,00,734	(12,21,887)
Current Tax	3,62,185	-	3,62,185	-
Profit /(Loss) for the year	15,38,549	(12,21,887)	15,38,549	(12,21,887)
Add:Share of profit from Associate	-	-	(31,40,888)	4,98,749
Profit for the year after share of profit from associate	-	-	(16,02,339)	(7,23,138)
Earnings per share (Basic) & (Diluted)	6.28	(4.99)	(6.54)	(2.95)

- **STATE OF AFFAIRS:-**

The main business of the company is acting as dealers, general order suppliers, contractors, importers, exporters, merchants, stockiest, buyers, sellers, growers, agents, brokers of all kind of cloths, coal, chemicals, paper and engineering goods.

The company had decided to expand its business in automobile sector for augmenting the revenues of the company. In this regard, the company had entered into an arrangement with Khivraj Motors Private Limited and Khivraj Vahan Private Limited for dealing in used cars sale. Accordingly, the exhaustive list of automobiles business is included in the main objects of the Memorandum with the approval of the members in their meeting held on 20th November 2017.

In continuation of this, the total income of the company is increased from Rs.3,32,624/- to Rs.19,84,22,566/- and the company had also earned a profit of Rs.15,38,549/-

The Companies (Indian Accounting Standards) Rules 2015, states that the companies whose shares listed in any of the stock exchange has to comply with the Indian Accounting Standards (Ind AS) for the accounting period beginning on or after 1st April 2017 with the comparatives for the periods ending on 31st March 2017. Hence the company had adopted the same.

- **RESERVES:-**

The current year profit of Rs.15,38,549/- had been transferred to the reserves of the Company.

- **DIVIDEND:-**

No Dividend was declared for the current financial period under review.

- **EXTRACT OF ANNUAL RETURN:-**

The extracts of Annual Return pursuant to the provisions of Section 92 of the Companies Act, 2013, read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in Form MGT -9**.**

- **INFORMATION ABOUT THE BOARD / KEY MANAGERIAL PERSONNEL:-**

In the beginning of the year the Board consisted of four directors Mr.Bharat Kumar Chordia, Mr.V.Rajamanickam, Mr.Rahul Baid and Mrs.Prassan Kumari Chordia.

In the Board meeting held on 29th May, 2017, Mr.Bharat Kumar Chordia was appointed as Whole Time Director and Mr.A.Lakshmi Narayanan was appointed as Independent director, for a period of 5 years without liable to retire by rotation which have been approved by the shareholders in the preceding Annual General Meeting held on 5th July 2017.

Mr.V.Rajamanickam, retires by rotation at this Annual General Meeting but eligible and offers himself for re-appointment.

During the year under review, the board of directors of the company in their meeting held on 29th July 2017, appointed Mr.Vijaya Prasath as Chief Financial Officer of the company.

Accordingly, at the end of the year the Board consists of five directors Mr.Bharat Kumar Chordia, Mr.V.Rajamanickam, Mr.Rahul Baid, Mrs.Prassan Kumari Chordia and Mr.A.Lakshmi Narayanan.

The key managerial personnel of the company are Mr.Bharat Kumar Chordia, Whole-time Director, Mr.Vijaya Prasath Chief Financial Officer and Mrs.S.Vijayalakshmi, company secretary.

No directors have resigned during the year.

♣ **NUMBER OF MEETINGS CONDUCTED DURING THE FINANCIAL YEAR:-**

a) The Board met Five **(5)** times during the financial year viz.,12th April 2017, 29th May 2017, 24th July 2017, 23rd October 2017, and 01st February 2018 and the information of the directors attendance as below:-

S.No	Name	No. of Board Meetings eligible to attend during their tenure	No. of Board Meetings attended during their tenure	No. of Board Meetings not attended during their tenure
1	Bharat Kumar Chordia	5	5	0
2	V.Rajamanickam	5	5	0
3	Rahul Baid	5	4	1
4	PrassanKumari Chordia	5	4	1
5	A.Lakshmi Narayanan	4	4	0

b) The audit committee resumed Four **(4)** times during the financial period, viz., 29thMay 2017, 24th July 2017, 23rd October 2017 and 01st February 2018.

In the beginning of the financial year, the audit committee consisted of Mr.Rahul Baid, Mr.V.Rajamanickam and Mr.Bharat Kumar Chordia as its members.

During the year, the audit committee was reconstituted with Mr.Rahul Baid, Mr.A.Lakshminarayanan and Mr.V.Rajamanickam as members.

The information about the audit committee meetings of the company is mentioned below:-

S.No	Name	No.of Audit Committee Meetings eligible to attend during their tenure	No.of Audit Committee Meetings attended during their tenure	No.of Audit Committee Meetings not attended during their tenure
1	Bharat Kumar Chordia	1	1	0
2	Rahul Baid	4	3	1
3	Rajamanickam V	4	4	0
4	A.Lakshminarayanan	3	3	0

c) The nomination and remuneration committee met Two (**2**) times viz., 29th May 2017 and 01st February 2018.

In the beginning of the financial year, the nomination and remuneration committee consisted of Mr.Rahul Baid, Mr.Bharat Kumar Chordia and Mrs.Prassan Kumari Chordia Members.

Then during the year, the committee was reconstituted with Mr.Rahul Baid, Mr.A.Lakshminarayanan and Mr.V.Rajamanickam as members.

The information about the nomination and remuneration committee meetings of the company is mentioned below:-

S.No	Name	No. of Nomination and Remuneration Committee Meetings conducted during their tenure	No. of Nomination and Remuneration Committee Meetings attended during their tenure	No. of Nomination and Remuneration Committee Meetings not attended during their tenure
1	Rahul Baid	2	2	0
2	Bharat Kumar Chordia	1	1	0
3	PrassanKumari Chordia	1	1	0
4	Rajamanickam V	1	1	0
5	A.Lakshminarayanan	1	1	0

d) During the year, the company had **(3)** Three general meetings consisted of one Annual General Meeting held on 5th July 2017, and two Extra-ordinary General Meetings held on 20th November 2017 and 28th February 2018.

In these general meetings, approval from the members were obtained through special resolutions for granting loan and advances and making investments under the Section 186 of the Companies Act, 2013, amendment of Memorandum and Articles of Association of the company and borrowing and creating charge as required under Section 180 of the Companies Act,

♣ **DIRECTORS RESPONSIBILITY STATEMENT:-**

In accordance with the provisions of Section 134(5) of the Companies Act, 2013, the Board hereby submits its responsibility Statement:—

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanations relating to material departures;
(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial period and the profit of the company for that period;
(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
(d) the directors had prepared the annual accounts on a going concern basis; and
(e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
(f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

♣ **DETAILS IN RESPECT OF FRAUDS UNDER SECTION 143(12) OF THE COMPANIES ACT, 2013:-**

There were no instances available that the auditors have reported frauds to the audit committee or the Board or to the Central Government during the financial period under review.

♣ **DECLARATION OF INDEPENDENT DIRECTOR:-**

The company has received a declaration of independence from the independent director/s in accordance with the provisions of Section 149 of the Companies Act 2013.

♣ MATERIAL SUBSIDIARIES:-

The Company does not have any subsidiary except an associate company, Navaratan Property and Holdings Private Limited and the Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable to the company as the paid-up capital and net worth of the company is not exceeding rupees ten crores and twenty five crores respectively.

♣ NOMINIATION AND REMUNERATION POLICY :-

The nomination remuneration policy is framed in compliance with Section 178 of the Companies Act, 2013.

The purpose of forming the committee is to:-

(a) identify a person who are qualified to become directors, key managerial personnel and recommend to the Board their appointment and removal;
(b) shall carry out evaluation of every director's and every committee member's performance;
(c) frame a remuneration policy for the directors/KMPs;
(d) evaluation of the performance of the independent directors, etc.,

♣ VIGIL MECHANISM POLICY:-

This policy has been established to formulate a policy for directors and other concerned persons to report their genuine concerns and to provide safeguards against the victimization of persons.

Mr.Rahul Baid [DIN:05112842] and Mr.Bharat Kumar Chordia [DIN:00049455] directors had been authorized as vigilant officers.

The directors or any other concerned persons may disclose to them any genuine concerns, unethical and improper or malpractices and events take place or suspected to take place involving:

- Breach of company's code of conduct;
- Breach of business integrity and ethics;
- Gross or willful negligence causing substantial or specific manipulation of company date / records;
- Gross wastage / misappropriation of company funds;
- violation of human rights etc.,

♣ PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE BY THE COMPANY:-

During the year, the company has not given loan or advances or provided security or guarantee to other companies as prescribed under the Section 186 of the Companies Act, 2013.

♣ PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:-

The particulars of contract or arrangement made with the related parties made pursuant to Section 188 of the Companies Act, 2013, are furnished in **Form AoC-2.**

♣ **MATERIAL CHANGES AND COMMITMENT IF ANY:-**

The company had decided to expand its business in automobile sector for augmenting the revenues of the company. In this regard, the company had entered into arrangement with Khivraj Motors Private Limited and Khivraj Vahan Private Limited for dealing in used cars sale.

In continuation of this, the total income of the company is increased from Rs.3,32,624/- to Rs.19,84,22,566/- and the company had also earned a profit of Rs.15,38,549/-

There is no material changes and commitment affecting the financial position of the company after the close of the financial year.

♣ **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:-**

➢ CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION:

The Section 134 (0) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, stipulates that the report of the Board shall contain the information viz., the steps taken to conserve the energy, the steps taken for utilizing the alternate sources of energy, the capital investment on energy conservation equipments, the efforts made towards technology absorption, the benefits derived due to technology absorption, information about import technology if any, and the expenditure incurred on research and development etc.,

As the company is a trading company, there is a little opportunity for the company to conserve energy and absorb technology. However, wherever possible, the company made sufficient measures to save energy and absorb technology.

➢ FOREIGN EXCHANGE EARNINGS AND OUTGO:-

During the year, the company has not made any actual foreign exchange earnings or outgo.

♣ **RISK MANAGEMENT POLICY:-**

The Board periodically reviews the risks which are associated with business objectives, growth, talent aspects etc., and actions are being taken to mitigate those risks then and there.

♣ **CORPORATE SOCIAL RESPONSIBILITY:-**

The Company has neither developed nor implemented any Corporate Social Responsibility initiatives as the Networth, Turnover or Net profit of the company had not reached the threshold limits prescribed under Section 135 of the Companies Act, 2013.

♣ **FORMAL ANNUAL EVALUATION:-**

Your company believes that the Board and committees are playing a very important role in the performance of the company. Monitoring and giving timely inputs of the Board and committees enhances the performance and set the right directions for growth. The annual evaluation has been made at the close of the financial period. The evaluation of the Board and Committee was conducted based on the peer evaluation excluding the director/member being evaluated through Board / Committee effectiveness survey.

Each Board / Committee member is requested to evaluate the effectiveness of the other members of the Board / Committee based on the participation and attendance of the members, preparation for the Board and committee meetings, contribution to strategy and other areas impacting company's performance, experience and credibility to bear on the critical areas of performance of the organization, updated knowledge, areas of expertise, active participation in the discussions, helping others to contribute constructively in the discussions, resolve issues, ethical manners / behaviors of the directors / committee members on a scale of one to five. Feedback on each director is encouraged to be provided as a part of the survey.

On the whole, the evaluation has been made and all the directors / committee members have given satisfactory report of the fellow members of the Board as well as the Audit Committee and the Nomination and Remuneration Committee.

- **COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:-**

The Company does not have any Subsidiary and Joint venture Company. However, the company do have an associate company called Navaratan Property Holdings Private Limited in which your company holds 83,90,250 equity shares of Rs.10/- each in the beginning of the year.

The **Form AOC -1** having particulars about the associate company is enclosed. There is no contribution from that company for the overall performance of your company except to the extent of investment held in that company.

- **DETAILS OF SIGNIFICANT AND MATERIAL ORDER:-**

There are no significant material orders passed by the Regulators / Courts / Tribunal which would impact the going concern status of the company and its future operations.

- **DEPOSITS:-**

The Company has neither accepted nor renewed any deposits during the period under review. Hence, the details relating to deposits covered under the Chapter V is NIL. That is to say:-

a.	Accepted during the year	NIL
b.	Remained unpaid or unclaimed as at the end of the year	NIL
c.	Whether the has been any default in repayment of deposits	NIL

However, the company had received the unsecured loan in aggregate of Rs.57 lakhs from Mr.Bharat Kumar Chordia, Whole time director, for the business operations of the company which had been fully repaid during the year.

In further to this, the company had obtained a declaration stating that the amount is not being given by him out of borrowings or accepting loan or deposits from others.

♣ **AUDITORS:-**

Statutory Auditor:-

As per Section 139 of the Companies Act, 2013, G.Pari [Mem.No.026769] M/s.V.Krishnan and Co., Chartered Accountants, Tamilnadu (ICAI Firm Registration No.001541S] were appointed as Statutory Auditors in the 34^{th} Annual General Meeting, held on 05^{th} July 2017, to hold office until the conclusion of the 39^{th} Annual General Meeting to be held in the year 2022.

The requirement of ratification of appointment of auditors have been omitted vide the Companies (Amendment) Act, 2017.

Internal Auditor:-

Mr.M.Neelakandan, who is a qualified company secretary, having a Membership No.A19105, is appointed as an Internal Auditor, with the recommendation of the Audit Committee, to conduct internal audit functions and activities of the Company.

Secretarial Auditor:-

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr.S.Ganesan (CP No.8336), Company Secretary in Practice, to undertake the secretarial audit of the company for the financial year 2017-18. The Secretarial Audit Report given by Mr.S.Ganesan is annexed with this report.

Cost Auditor:-

As the business activities of the company do not fall under the scope of cost audit, the company has not appointed cost auditor.

♣ **DISCLOSURE AS PER THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES 2014 AND FURTHER AMENDMENT THEREOF:-**

➢ The ratio of remuneration of each director to the median remuneration of the employees of the company for the financial year	:	Not applicable as none of the directors are drawing remuneration in the company.
➢ The percentage of increase in remuneration	:	Not applicable
➢ The number of permanent employees on the rolls of the company.	:	One - the Remuneration is Rs.2.40 lakhs per annum as per the remuneration policy of the company.
➢ The % of increase in the median remuneration of employees during the financial year.	:	NIL
➢ The average percentile increase in the salary of the employees.	:	NIL
➢ The key parameters for any variable component of remuneration availed by the directors	:	NIL
➢ The name of the employee who employed throughout the year who was in receipt of remuneration not less than Rs.1.02 crores.	:	NIL
➢ The name of the employee who employed for part of the financial year who was in receipt of remuneration not less than Rs.8.5 lakh rupees per	:	NIL

month.

➢ The name of the employee who was in receipt of remuneration in that year is in excess of the remuneration drawn by managing director, whole time director or manager and holds not less than 2% of the equity shares of the company	:	NIL

♣ **COMMISSION OR REMUNERATION BY THE DIRECTORS:-**

None of the directors of the company was in receipt of neither commission nor remuneration from the company.

However, the sitting fee of Rs.5,000/- was being paid to each director who were attending the Board and General Meeting with effect from 29th May 2017 for which the Nomination and Remuneration Committee and the Board had accorded approval.

♣ **SHARES:-**

- The Company has not bought back any of its securities during the period under review.
- The Company has not issued any sweat equity shares during the period under review.
- No Bonus Shares were issued during the period under review.
- The Company has not provided any stock option scheme to the employees.
- The Company has not issued / allotted / completed the issue of / any equity shares with differential rights.

♣ **HUMAN RESOURCES:-**

The company has less than 10 employees hence the company does not require to constitute an internal complaints committee to redress the complaints received with regard to the harassment at work. However, there were no cases have been reported during the year under review.

♣ **ACKNOWLEDGEMENTS:-**

Your Directors place on record their sincere thanks to all the stake holders for their continued support extended to your Company's activities during the period under review. Your Directors also acknowledge gratefully the shareholders for their support and confidence reposed on the Company.

For and on behalf of the Board of directors

Date:May 29, 2018
Place:Chennai

Bharat Kumar Chordia	**V.Rajamanickam**
[DIN:00049455]	[DIN:00049594]
Whole-time Director	Director

CORPORATE GOVERNANCE REPORT

♣ OVERVIEW:-

In the beginning of the year the Board consisted of four directors Mr.Bharat Kumar Chordia, Mr.V.Rajamanickam, Mr.Rahul Baid and Mrs.Prassan Kumari Chordia.

During the year Mr.Bharat Kumar Chordia was appointed as a Whole-time Director and Mr.A.Lakshmi Narayanan was appointed as an Independent Director. Both were appointed on 29th May 2017 without any remuneration and not liable to retire by rotation.

Mr.V.Rajamanickam, retires by rotation at this Annual General Meeting but eligible and offers himself for re-appointment.

Mrs.S.Vijayalakshmi, [Mem.no.A20223] is the company secretary of the company and during the year Mr.Vijaya Prasad has been appointed as a Chief Financial officer of the company.

♣ COMPOSITION OF THE BOARD AS ON DATE

No	Name	Category	No. of Directorship held by the directors in other companies		No. of membership in the committees of the public limited companies
			Public	Private	
1	Mr.Bharat Kumar Chordia	Promoter and Whole-time Director	1	11	0
2	Mr.V.Rajamanickam	Non-promoter and Non-Executive Director	1	0	2
3	Mrs.Prassan Kumari Chordia	Promoter and Non-Executive Women Director	1	2	0
4	Mr.Rahul Baid	Independent Director	1	5	2
5	Mr.A.Lakshmi Narayanan	Independent Director	1	0	2

♣ BOARD MEETINGS:-

The Board met Five **(5)** times during the financial year viz.,12th April 2017, 29th May 2017, 24th July 2017, 23rd October 2017, and 01st February 2018 and the information of the directors attendance as below:-

S.No	Name	No. of Board Meetings eligible to attend during their tenure	No. of Board Meetings attended during their tenure	No. of Board Meetings not attended during their tenure
1	Bharat Kumar Chordia	5	5	0
2	V.Rajamanickam	5	5	0
3	Rahul Baid	5	4	1
4	Prassan Kumari Chordia	5	4	1
5	Lakshmi Narayanan A	4	4	0

♣ **AUDIT COMMITTEE:-**

a. composition:-

The audit committee resumed Four **(4)** times during the financial period, viz., 29th May 2017, 24th July 2017, 23rd October 2017 and 01st February 2018 and the information of the members attendance as below.

In the beginning of the financial year, the audit committee consisted of Mr.Rahul Baid, Mr.V.Rajamanickam and Mr.Bharat Kumar Chordia as its members.

The audit committee was reconstituted with effect from 29th May 2017. After reconstitution of the committee, the committee consisted of Mr.Rahul Baid, Mr.Lakshminarayanan and Mr.V.Rajamanickam as members of the committee.

S.No	**Name**	**No.of Audit Committee Meetings eligible to attend during their tenure**	**No.of Audit Committee Meetings attended during their tenure**	**No.of Audit Committee Meetings not attended during their tenure**
1	Bharat Kumar Chordia	1	1	0
2	Rahul Baid	4	3	1
3	Rajamanickam V	4	4	0
4	A.Lakshminarayanan	3	3	0

b.Policy of the Audit Committee:-

- Recommending the appointment /removal of external auditors/ terms of appointment, fixing audit fees and approving payments for any other service;
- Reviewing/Examining the quarterly / annual standalone and consolidated financial statements/results before submission to the Board;
- Reviewing the adequacy of internal audit function;
- Discussing with the external auditors before the audit commences on the nature and scope of audit as well as have post-audit discussions to ascertain any area of concern;
- Scrutiny of inter-corporate loans and investments;
- Approval or any subsequent modification of related party transaction between the company and the related party.
- Any other functions as may be prescribed by the Companies Act, 2013 from time to time.

c.Vigil Mechanism Policy:-

This policy has been established to formulate a policy for directors and other concerned persons to report their genuine concerns and to provide safeguards against the victimization of persons.

Mr.Rahul Baid [DIN:05112842] and Mr.Bharat Kumar Chordia [DIN:00049455] directors have been authorized as vigilant officers.

The directors or any other concerned persons may disclose to them any genuine concerns, unethical and improper or malpractices and events take place or suspected to take place involving:

- Breach of company's code of conduct;
- Breach of business integrity and ethics;
- gross or willful negligence causing substantial or specific manipulation of company date/records;
- gross wastage/misappropriation of company funds;
- violation of human rights etc

d.Policy on Related Party Transactions:-

- All related party transactions shall require the prior approval of the audit committee and the Board.
- A transaction with a related party shall be considered material, if the transaction(s) to be entered exceeds 10% of the annual consolidated turnover of the company as per the last audited financial statements of the company. However, if the transactions entered into by the company in its ordinary course of business and the transaction is at arm's length basis, the transaction would not be considered as material.
- All material transactions shall require approval of the shareholders by way of an ordinary resolution.
- No member of the company shall vote to approve any contract or arrangement which may be entered into by the company if such member is a related party.

♣ **NOMINATION AND REMUNERATION COMMITTEE:-**

a. Composition:-

The nomination and remuneration committee gathered Two (**2**) times viz., 29th May 2017 and 01st February 2018 and the information of the members attendance as below:-

In the beginning of the financial year, the nomination and remuneration committee consisted of Mr.Rahul Baid, Mr.Bharat Kumar Chordia and Mrs.Prassan Kumari Chordia.

The composition of the nomination and remuneration committee was reconstituted with effect from 29th May 2017. After reconstitution of the committee, the committee consisted of Mr.Rahul Baid, Mr.Lakshminarayanan and Mr.V.Rajamanickam, Members.

S.No	Name	No. of Nomination and Remuneration Committee Meetings conducted during their tenure	No. of Nomination and Remuneration Committee Meetings attended during their tenure	No. of Nomination and Remuneration Committee Meetings not attended during their tenure
1	Rahul Baid	2	2	0
2	Bharat Kumar Chordia	1	1	0
3	PrassanKumari Chordia	1	1	0
4	Rajamanickam V	1	1	0
5	Lakshminarayanan A	1	1	0

b.Policy of the Nomination and Remuneration Committee:-

- Identify a person who are qualified to become directors / key managerial personnel and recommend to the Board their appointment and removal;
- shall carry out evaluation of every director's and committee member's performance;
- frame a remuneration policy for the directors;

- evaluation of independent directors, etc;
- any other functions as prescribed by the Companies Act, 2013 from time to time.

♣ KEY MANAGERIAL PERSONNEL

During the year under review, on 29th May 2017, Mr.Bharat Kumar Chordia, Director had been appointed as Whole-time Director of the company and Mr.Vijay Prasath has been appointed as a Chief Financial Officer of the company.

♣ INTERNAL CONTROL:-

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.

The Company does not have any pending litigations which would impact its financial position.

The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

♣ MODE OF SHAREHOLDINGS AS ON 31st MARCH 2018:-

Mode of holding	No of holders	No. of Shares	% to total equity shares
Physical Form	40	8,850	3.61
NSDL	60	2,32,150	94.76
CDSL	1	4,000	1.63
Total	**101**	**2,45,000**	**100.00**

♣ GENERAL BODY MEETINGS:-

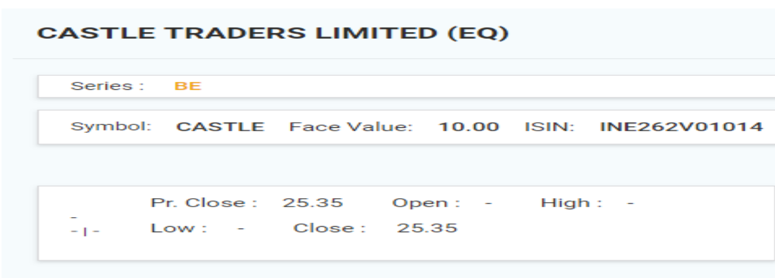
Details of the last three AGMs of the Company

Financial Year	**Location**	**Date**	**Time**
2016-17	'Olympia Tech Park Auditorium', No.1, SIDCO Industrial Estate, Guindy, Chennai - 600032	05th July 2017	12.00 Noon
2015-16	'Bharat Kumar Bhavan', No.617, Anna Salai, Chennai – 600 006	30th September 2016	11.00 a.m.
2014-15	'Bharat Kumar Bhavan', No.617, Anna Salai, Chennai – 600 006	30th September 2015	10.00 a.m.

♣ **DISTRIBUTION OF SHAREHOLDING AS ON 31st MARCH 2018:-**

No.	Shareholding (in Rs)	Number of persons	% of total	Number of shares	% of total
1	Between 10 and 5000	75	74.26	80,000	3.27
2	Between 5001 and 10000	1	0.99	6,000	0.24
3	Between 10001 and 20000	2	1.98	28,500	1.16
4	Between 20001 and 30000	3	2.97	86,500	3.53
5	Between 30001 and 40000	6	5.94	2,24,000	9.14
6	Between 40001 to 50000	0	0.00	0	0.00
7	Between 50001 and 100000	0	0.00	0	0.00
8	>100000	14	13.86	20,25,000	82.66
	Total	**101**	**100.00**	**24,50,000**	**100.00**

♣ **SHARE INFORMATION:-**



♣ **CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING:-**

The Securities and Exchange Board of India formulated the SEBI (Prohibition of Insider Trading) Regulations, 2015 and mandates every listed company to formulate a code of conduct on Prevention of Insider Trading, prohibiting communication or use of unpublished price sensitive information and monitor and report trading in securities of a company by Insiders.

In compliance with said Regulations the Company has promulgated the Code to set out the standards and regulate and/or monitor compliance of said Regulations by all the Insiders and which has been placed on the website of the company.

♣ **ANNUAL EVALUATION:-**

The annual evaluation has been made at the close of the financial period. The evaluation of the Board and Committee were conducted based on the peer evaluation excluding the director/member being evaluated through Board / Committee effectiveness survey.

Each Board / Committee member is requested to evaluate the effectiveness of the other members of the Board / Committee based on participation and attendance of the members, preparation for the Board and committee meetings, contribution to strategy and other areas impacting company's performance, experience and credibility to bear on the critical areas of performance of the organization, updated knowledge, areas of expertise, active participation in the discussions, helping others to contribute constructively in the discussions, resolve issues, ethical manners / behaviors of the directors / committee members on a scale of one to five. Feedback on each director is encouraged to be provided as part of the survey.

Independent director has also evaluated the effectiveness of other non-executive promoter directors and non-executive director of the company.

On the whole, the evaluation had been made and all the directors, independent director / committee members have given satisfactory report of the fellow members of the Board as well as the Audit Committee and Nomination and Remuneration Committee.

- **NON-APPLICABILITY OF SEBI (LODR) REGULATIONS 2015:-**

The compliance with the corporate governance provisions as specified in regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D, E of Schedule V of SEBI (LODR) Regulations 2015 shall not be applicable to this company as the paid-up share capital and networth of the company are not exceeding Rs.10crs and Rs.25crs respectively as on the last day of the previous financial year.

- **SHAREHOLDERS INFORMATION:-**

Financial Results	The quarterly, half-yearly and annual financial results are published in News Today and Maalai Chudar.
Website	The company's website www.castletraders.in contains a dedicated segment/s for 'Investors information' wherein all information needed by the members are available such as quarterly, half yearly and annual financials, board meeting information and quarterly shareholding pattern, code of conduct, composition of committees and their policies etc.,
Scores (SEBI Complaints Redressal System)	SEBI commenced processing of investor complaints in a centralized web based complaints redress system i.e.SCORES. The company supported SCORES by using it as a platform for communication between SEBI and the company.
Stock Exchange	The shares of the company listed in the Metropolitan Stock Exchange of India Limited on October 14, 2016 and admitted to dealings on the exchange with effect from October 19, 2016. All disclosure and communication to the Metropolitan Stock Exchange of India Limited are filed electronically through https://mylisting.msei.in
Listing Fee	The annual listing fee for the year 2018-19 has been paid to the stock exchange. The company would pay the annual custodial fee for the year 2018-19 to both the depositories namely, National Securities Depository Limited [NSDL] and Central Depository Services (India) Limited (CDSL) on receipt of the invoices.

CASTLE TRADERS LIMITED
(CIN:L51909TN1983PLC045632)
(GST No.333AABCC8853F1ZR)
Regd.Office:No.617. 'Bharat Kumar Bhavan', Anna Salai, Chennai - 600 006

The company information in the Metropolitan Stock Exchange of India Limited	Symbol:CASTLE Security Name:Castle Traders Limited ISIN Code:INE262V01014;Series:EQ No.of Securities:2,45,000; Distinctive Number:1-245000 Paidup value per share:Rs.10/-; Market lot:1
Annual General Meeting Information	Date:23rd July 2018 Day: Monday Time:2.00 P.M. Venue:.No.617, New No.418, 'Bharat Kumar Bhavan', Anna Salai, Chennai.

- **OTHER INFORMATION:-**

a)	Stock Exchange	e)	Whole-time Director
	Metropolitan Stock Exchange of India Limited Address:- Vibgoyor Towers, 4th Floor, Bandra Kurla Complex, Bandra (E), Mumbai – 400098 Website:-https://www.msei.in		Bharat Kumar Chordia Castle Traders Limited Address:- No.617, 'Bharat Kumar Bhavan', Anna Salai, Chennai - 600006 Email: bharatchordia@khivrajmotors.com; Website: www.castletraders.in
b)	**Registrar and Share Transfer Agent**	**f)**	**Compliance Officer**
	Cameo Corporate Services limited Addrss:- "Subramanian Building", No.1, Club House Road, Chennai-600002 , Tel: +044-28460390(5lines), Fax: +28460129, Website:cameo@cameoindia.com, E-Mail:investor1@cameoindia.com		Mr.Rahul Baid Address:- Castle Traders Limited No.617, 'Bharat Kumar Bhavan' Anna Salai, Chennai – 600006 Phone:044 – 42269610 and 044-42269600 Email: rahul.baid@khivrajmotors.com; Website:-www.castletraders.in
c)	**Statutory Auditors**	**g)**	**Chief Financial Officer**
	M/s.V.Krishnan and Co., Chartered Accountants, G.Pari (MemNo.026769), Address:- 27/A, Teachers' Colony, Khaderpet, Vaniyambadi – 635751, Tamilnadu Tel: 04174-228675; 9884270282		Mr.Vijaya Prasad, Castle Traders Limited Address:- No.617, 'Bharat Kumar Bhavan' Anna Salai, Chennai - 600006 Email: vijay.finance@khivrajmotors.com Website:-www.castletraders.in

d)	**Depositories**	h)	**Company Secretary**
	National Securities Depository Limited Address:- Trade World, A wing, 4th Floor, Kamala Mills Compound, Lower Parel, Mumbai – 400013		Mrs.S.Vijayalakshmi Castle Traders Limited Address:- No.,617, Anna Salai, Chennai – 600006 Email: cs@khivrajmail.com Website:-www.castletraders.in
	Central Depository Services (India) Limited Address:- Regd. Office: Marathon Futurex, A-Wing, 25th Floor, NM Joshi Marg, Lower Parel, Mumbai 400013		

For and on behalf of the Board of directors

Date:May 29,2018
Place:Chennai

Bharat Kumar Chordia
[DIN:00049455]
Whole-time Director

V.Rajamanickam
[DIN:00049594]
Director

MANAGEMENT DISCUSSION & ANALYSIS REPORT:-

♣ OVERVIEW:-

The automobiles sector in every country is dependent on other sectors like transport, physical infrastructure (road, rail, port and power), digital infrastructure (streamlined online portals for carrying out business operations remotely) and social infrastructure (automotive hubs), labor, and land acquisition.

All these factors play an important role in ensuring the business continuity in the automobile sector. The Indian auto industry is moving from SB-IV to BS-VI and to electric vehicles.

Despite teething troubles like GST, the auto industry recorded a milestone in the financial year 2017-18.

♣ MOBILITY REVOLUTION:-

Use of public transport in India has waned as private vehicle ownership has boomed, but increasing strain on the road infrastructure in major cities means public investment is likely in Urban mass mobility schemes such as metro systems and buses.

The automotive industry is unlikely to lose much of its customer base in the near-term, even as these schemes become more prevalent, because the socio-economic statement of car ownership will continue to make private vehicles desirable.

♣ ACCESS TO MOBILITY:-

The industry is witnessing a shift from the traditional “ownership” mind set toward “access to mobility” Impact on automotive industry Business models operating in the short-term hire space despite being a very young market, the advanced mobility space is gaining ground in the country, with a multitude of business model variants.

In line with other global markets, India is also witnessing the proliferation of technology-driven mobility service providers (such as cab aggregators and ride-sharing companies). This is driven by factors such as high cost of vehicle ownership, rising congestion, growing connectivity and mobile penetration.

Consequently, the Indian consumer is being drawn toward the idea of “access” from “ownership,” as these technology-intensive business models provide short-term access to vehicles.

♣ TRANSITION TO BS VI

As in the case of the oil companies, auto-makers will also be investing substantially on technology during the transition to BS VI. This means that their end products will become dearer too, which is a challenge in a price-sensitive market like India. How the industry manages to strike the balance between costs and quality is the big challenge going forward. The automobile industry will go the extra mile in meeting the cost challenge.

♣ GREEN REVOLUTION:

India’s automobile industry is poised at the start of an exciting phase of growth, not all of which may derive from manufacturing conventional fuel-based vehicles. Various possibilities ranging from developing vehicles based on alternate fuels to collaborating with some-time rivals, have the potential to open fresh avenues for growth.

In a price-conscious economy such as India, the shift towards green vehicles will be slow unless spurred by government mandates. Although the major players are already equipped with the necessary capabilities to develop cleaner vehicles, they do not see much merit in commercializing these technologies until the green revolution gains momentum most likely through changes in political legislation – and it achieves the market scale required for commercial viability.

Manufacturers are placing greater faith in dual-fuel technologies than in battery-powered alternatives because the necessary support infrastructure, such as recharge stations, is not yet in place for the widespread adoption of the latter.

Manufacturers of four-wheelers and commercial vehicles in particular stress the importance of optimizing conventional combustion engines before experimenting too radically with costly new technologies.

- **USED CAR SALES:-**

India’s automobile industry is one of the fastest growing in the world and it is already the sixth largest globally. According to a society of Indian Automobile Manufactures report, annual car sales could reach more than 9 million vehicles by 2020. Till about a decade ago, in the absence of organized players, more than 60% of all used car sales were C2C among friends and relatives etc.,

- **GST IMPACT**

Implementation of GST reduced the cost of manufacturing of cars and bikes due to the subsuming of different taxes levied earlier. Under GST, the taxes are charged on consumption state rather than the origin state, which would give a boost to the growth rate of the automobile industry.

- **GST IMPACT ON USED CAR SALES:-**

As per the industry report in financial year 2017, the pre-owned car market is expected to grow by 15% but due to consecutive challenges, the market just grew by only 9%.

The segment had already been under pressure since demonetization in November 2016. According to the recent report, due to the high GST on larger vehicles, the sales of those vehicles fell by 25%. The used car dealer is paying the same amount of tax levied on a new car on the profit margin. This was killing the used car market.

Under GST, tax and cess on new and old vehicles were the same. These were levied on the profit margin of the used car dealers, putting sales volumes under pressure and made their business unviable. At these tax rates, the organized used car business was challenged.

However, at the close of the financial year, the decision of the Government to reduce tax and remove cess on the sale of used vehicles is expected to boost the pre-owned car market.

According to the ‘India Pre-owned Car Market Report 2017’ almost 70% of the all vehicles sold in the used car market are small cars priced under Rs.4 lakh. The reduction of tax is expected to help the sector.

According to a research done by one of the leading digital platforms for buying and selling second-hand vehicles, the used cars business should grow from $18 billion to $60 billion in the next five years.

- **OTHER RISKS:-**

The company is exposed to market risk, credit risk and liquidity risk. The company's principal financial liabilities include trade and other payables. The company has various financial assets such as trade receivables and cash and short-term deposits, which arise directly from its operations.

The company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the company's policies and risk objectives.

- **PRODUCT-WISE PERFORMANCE:-**

During the year, the company earned revenue through used car sales to the tune of Rs.19,84,03,210/- and through sale of clothes Rs.18,622/-.

- **FINANCIAL PERFORMANCE:-**

The company tapped the used car sales market during the year for augmenting the revenues of the company. In this regard, the company had entered into an arrangement with Khivraj Motors Private Limited and Khivraj Vahan Private Limited for dealing in used cars sale. Consequently, the total income of the company is increased from Rs.3,32,624/- to Rs.19,84,22,566/- and the company had also earned a profit of Rs.15,38,549/-

- **MATERIAL DEVELOPMENT:-**

The company would recruit people in the ensuing years. At present only one employee is in the role.

For and on behalf of the Board of directors

Date:May 29, 2018
Place:Chennai

Bharat Kumar Chordia
[DIN:00049455]
Whole-time Director

V.Rajamanickam
[DIN:00049594]
Director

FORM – MGT -9 EXTRACT OF ANNUAL RETURN		
as on the financial period ended on 31st March 2018		
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies Management and Administration) Rules, 2014]		
I. REGISTRATION AND OTHER DETAILS:		
i)	CIN	L51909TN1983PLC045632
ii)	Registration Date	26.10.1983
iii)	Name of the Company	**CASTLE TRADERS LIMITED**
iv)	Category / Sub-Category of the Company	Company Limited by Shares / Non-govt Company
v)	Address of the Registered office and contact details	No.617, 'Bharat Kumar Bhavan, Anna Salai, Chennai - 600 006
vi)	Whether listed company	YES
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	CAMEO CORPORATE SERVICES LIMITED, “SUBRAMANIAN BUILDING” No.1,CLUB HOUSE ROAD, CHENNAI – 600002 TEL.2846 0390

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY					
All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-					
SI. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company		
1	**Sale of used vehicles**	**45102**	**100%**		
III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -					
S. No	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary / Associate	% of Shares Held	Applicable Section
1	**NAVARATAN PROPERTY HOLDINGS PRIVATE LIMITED**	U51219WB1995PTC 067353	Associate	34.71%	2(6)

IV (i) Category-wise Share Holding					
Category of Shareholders	**No. of Shares held at the beginning of the period**				**% Change**
	Demat	**Physical**	**Total**	**% of Total Shares**	
A. Promoters					
(1) Indian					NIL
a) Individual/ HUF	137000	0	137000	55.92	
b) Central Govt	0	0	0	0	
c) State Govt (s)	0	0	0	0	
d) Bodies Corp.	42500	0	42500	17.35	
e) Banks / FI	0	0	0	0	
f) Any Other	0	0	0	0	
Sub-total (A) (1) :-	**179500**	**0**	**179500**	**73.27**	
(2) Foreign					
a) NRIs -Individuals	0	0	0	0	
b) Other -Individuals	0	0	0	0	
c) Bodies Corp.	0	0	0	0	
d) Banks / FI	0	0	0	0	
e) Any Other....	0	0	0	0	
Sub-total (A)(2):-	0	0	0	0	
Total shareholding of Promoter A= (A)(1)+(A)(2)	**179500**	**0**	**179500**	**73.27**	

Category of Shareholders	**No. of Shares held at the beginning of the period as well as at the end of the year**				**% Change**
	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding					
1. Institutions					NIL
a) Mutual Funds	0	0	0	0	
b) Banks / FI	0	0	0	0	
c) Central Govt	0	0	0	0	
d) State Govt	0	0	0	0	
e) Venture Capital Funds	0	0	0	0	
f) Insurance Companies	0	0	0	0	
g) FIIs	0	0	0	0	
h) Foreign Venture Capital funds	0	0	0	0	
i) Others (specify)	0	0	0	0	
Sub-total (B)(1) :-	**0**	**0**	**0**	**0**	

2. Non- Institutions					NIL
a) Bodies Corp.	0	1600	1600	0.65	
i) Indian	0		0	0	
ii) Overseas	0	0	0	0	
b) Individuals	56650	7250	63900	26.08	
i) Individual shareholders holding nominal share capital upto Rs.1 Lakh	0	0	0	0.00	
ii) Individual shareholders holding nominal share capital in excess of Rs.1 Lakh	0	0	0	0.00	
c) Others (specify)	0	0	0	0	
Sub-total (B)(2):-	**56650**	**8850**	**65500**	**26.73**	
Total Public Share Holding	**56650**	**8850**	**65500**	**26.73**	
(B)=(B)(1)+(B)(2)					
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	
Grand Total (A)+(B)+(C)	**236150**	**8850**	**245000**	**100.00**	

(IV)(ii) Promoter Shareholding Pattern

Sl.No	Name of the Share Holder	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total number of Shares	% change in share holding during the period
1	Bharat Kumar Chordia	34500	14.08	0	34500	14.08	0	0
2	Kanta Devi Chordia	12000	4.90	0	12000	4.90	0	0
3	Khivraj Holdings Private Limited	31500	12.86	0	31500	12.86	0	0
4	Mitali Chordia	12000	4.90	0	12000	4.90	0	0
5	Navaratanmull Chordia	12000	4.90	0	12000	4.90	0	0
6	PrassanKumari Chordia	11500	4.69	0	11500	4.69	0	0
7	Akanksha Chordia	11500	4.69	0	11500	4.69	0	0
8	Kritika Chordia	11000	4.49	0	11000	4.49	0	0
9	Ajit Kumar Chordia	11000	4.49	0	11000	4.49	0	0
10	Manisha Chordia	11000	4.49	0	11000	4.49	0	0
11	Khivraj Motors Private Limited	11000	4.49	0	11000	4.49	0	0
12	Navaratanmull Chordia -Ajit Kumar (HUF)	10500	4.29	0	10500	4.29	0	0
TOTAL		**179500**	**73.27**	**0**	**179500**	**73.27**	**0**	**0**

(IV)(iii) Change in Promoters Shareholding NIL

Sl.No	Name of the Share Holder	Shareholding at the beginning	% of total share holding	Cumulative shareholding (transfer/ allotment/bonus	Shareholding at the end	% of total share holding
NIL						

(IV)(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDR and ADRs):-

Sl.No	Name of the Share Holder	Shareholding at the beginning	% of total share holding	Cumulative shareholding (transfer/ allotment/bonus	Shareholding at the end	% of total share holding
1	Rishab Kumar Bothra /GarimaBothra	11500	4.69	NIL	11500	4.69
2	V.Rajamanickam	11500	4.69	NIL	11500	4.69
3	Kamala Devi Sethia	4000	1.63	NIL	4000	1.63
4	PushpaSethia	4000	1.63	NIL	4000	1.63
5	Rajendra Kumar Sethia [HUF]	4000	1.63	NIL	4000	1.63
6	RohitBaid	4000	1.63	NIL	4000	1.63
7	Chandrakant Kankaria	3300	1.35	NIL	3300	1.35
8	Sushil Kumar Daga	4000	1.63	NIL	4000	1.63
9	Rajendra Kumar Sethia	3000	1.22	NIL	3000	1.22
10	SulekhaKumari Kankaria	2950	1.20	NIL	2950	1.20

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

Sl.No	Name of the Directors	Shareholding at the beginning	% of total share holding	Shareholding at end	% of total share holding
1	Bharat Kumar Chordia	34500	14.08	34500	14.08
2	PrassanKumari Chordia	11500	4.69	11500	4.69
3	V.Rajamanickam	11500	4.69	11500	4.69
4	Rahul Baid	0	0	0	0
5	Lakshmi Narayanan A	0	0	0	0
1	L.Vijaya Prasad (KMP)	0	0	0	0
2.	S.Vijayalaskhmi (KMP)	0	0	0	0

V.INDEBTEDNESS					
Indebtedness of the Company including interest outstanding/accrued but not due for payment					
		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year					
A	**Long Term Borrowings (secured) and (unsecured)**				
	i) Principal Amount	0	0	0	**0**
	ii) Interest due but not paid	0	0	0	**0**
	iii) Interest accrued but not due	0	0	0	**0**
	TOTAL (i+ii+iii)	**0**	**0**	**0**	**0**
B	**Short Term Borrowings (secured) and (unsecured)**				
	i) Principal Amount	0	0	0	**0**
	ii) Interest due but not paid	0	0	0	0
	iii) Interest accrued but not due	0	0	0	**0**
	TOTAL (i+ii+iii)	**0**	**0**	**0**	**0**
A AND B	**Total long term borrowings (secured and unsecured)and short term borrowings (secured and unsecured) at the beginning**	**0**	**0**	**0**	**0**
Change in indebtedness during the financial year					
	· Addition	0	**Rs.57 Lakhs**	**0**	**Rs.57 Lakhs**
	· Reduction	0	**Rs.57 Lakhs**	**0**	**Rs.57 Lakhs**
	Net Change	**0**	**0**	**0**	**0**
Indebtedness at the end of the financial year					
C	**Long Term Borrowings (secured) and (unsecured)**				
	i) Principal Amount	0	0	0	**0**
	ii) Interest due but not paid	0	0	0	**0**
	iii) Interest accrued but not due	0	0	0	**0**
	Total (i+ii+iii)	**0**	**0**	**0**	**0**
D	**Short Term Borrowings (secured) and (unsecured)**				
	i) Principal Amount	0	0	0	0
	ii) Interest due but not paid	0	0	0	0
	iii) Interest accrued but not due	0	0	0	0
	Total (i+ii+iii)	**0**	**0**	**0**	**0**
C AND D	**Total long term borrowings (secured and unsecured) and short term borrowings (secured and unsecured) at the end**	**0**	**0**	**0**	**0**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

No.	Particulars of Remuneration	
1	**Whole-time Director**	Bharat Kumar Chordia
	Remuneration	NIL
	Fee for attending board committee meetings	Rs.5,000 per board meeting

B. Remuneration to other directors:

1	**Independent Directors**	Rahul Baid and	Lakshmi Narayanan
	Remuneration	NIL	NIL
	Fee for attending board committee meetings	Rs.5,000 per board meeting	Rs.5,000 per board meeting
2	**Non-Executive Directors**	Prassan Kumar Chordia	V.Rajamanickam
	Particulars of Remuneration	NIL	NIL
	Fee for attending board committee meetings	Rs.5,000 per board meeting	Rs.5,000 per board meeting

C. Remuneration to key managerial personnel other than MD/Manager/WTD

no.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
		Amount in lakhs (Per annum)		
1	Gross salary (per annum)			
	(a) Salary as per provisions contained in section 17(1) of Income Tax Act, 1961	Rs.2.40 lakhs	NA	NA
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0		
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0		
	Stock Option	0		
	Sweat Equity	0		
	Commission - as % of Profit	0		
	Others, please specify	0		
	Total			

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:					
Type	**Section of the Companies Act**	**Brief Description**	**Details of Penalty /Punishment / compounding fees imposed**	**Authority [RD/NCLT/COURT]**	**Appeal made, if any (give details)**
A. COMPANY					
Penalty	Not applicable				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	Not applicable				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	Not applicable				
Punishment					
Compounding					

For and behalf of the Board of Directors

Place: Chennai
Date:May 29,2018

Bharat Kumar Chordia
Whole-time Director
(DIN:00049455)

V.Rajamanickam
Director
(DIN:00049594)

Form AOC-1

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

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part –A – Subsidiaries NIL

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl.No.	NIL
Name of the subsidiary:	
The date since when subsidiary was acquired	
Reporting period or the subsidiary concerned, if different from the holding company's reporting period.	
Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	
Share capital:	
Reserves and surplus:	
Total assets:	
Total Liabilities:	
Investments:	
Turnover:	
Profit before taxation:	
Provision for taxation:	
Profit after taxation:	
Proposed Dividend/Interim Dividend:	
Extent of shareholding (in percentage):	
The following information shall be furnished at the end of the statement:	
Names of subsidiaries which are yet to commence operations: **Not applicable**	
Names of subsidiaries which have been liquidated or sold during the year: **Not applicable**	

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and ~~Joint Ventures:~~

No	Name of the ~~Joint Ventures~~ / Associate	**NAVARATAN PROPERTY HOLDINGS PRIVATE LIMITED**
1	Latest audited Balance Sheet date	31/03/2018
2	Date on which the Associate of Joint Venture was associated or acquired	27/03/2010
3	**Shares of ~~Joint ventures~~ / Associate held by the company on end of the period**	
	Number of shares	83,90,250
	Amount of investment in associates/~~joint venture~~	Rs.8,47,500
	Extend of Holding %	34.71
4	Description of how there is significant influence	Control of more than 20% shareholding
5	Networth of the company	*Rs.23,65,14,664
6	Networth attributable to the shareholding as per latest audited balance sheet	*Rs.8,20,94,240
7	**Profit/(Loss) for the period**	***Rs.(72,74,997)**
8	Considered in consolidation	Rs.(16,02,339)
9	Not considerate in consolidation	NIL

Note: this form shall be certified in the same manner in which the Balance sheet is to be certified.

For and on behalf of the Board of directors

Date:May 29, 2018
Place:Chennai

Bharat Kumar Chordia
[DIN:00049455]
Whole-time Director

V.Rajamanickam
[DIN:00049594]
Director

*figures based on the unaudited financial results of Navaratan Property Holdings Private Limited.

FORM NO. AOC.2

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

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:-

1	**Details of contracts or arrangements or transactions at arm's length basis**				
a.	Name(s) of the related party	Khivraj Motors Private Limited	Khivraj Motors Private Limited	Khivraj Vahan Private Limited	Mr.Bharat Kumar Chordia
b.	Nature of relationship	Common director	Common director	Common director	Director
c.	Nature of contracts/arrangements/transactions	Ordinary course of business	Ordinary course of business	Ordinary course of business	Ordinary course of business
d.	Duration of the contracts/arrangements/transactions	NA	NA	NA	NA
e.	Salient terms of the contracts or arrangements or transactions including the value, if any:	Sale of clothes	Sale of cars	Purchase of cars	Loan received and Rent paid
f.	Value of arrangement	Rs.18,622	Rs.19,17,74,850	Rs.3,76,20,980	Rs.57,00,000/- and Rs.1,41,600/-
g.	Date(s) of approval by the Board, if any:	29th May 2017	1st February 2018	1st February 2018	12th April 2017
h.	Date(s) of approval by the members, if any:	5th July 2017	28th February 2018	28th February 2018	Not required

For and on behalf of the Board of directors

Date:May 29, 2018
Place:Chennai

Bharat Kumar Chordia
[DIN:00049455]
Whole-time Director

V.Rajamanickam
[DIN:00049594]
Director

Form No. MR-3

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

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31, March, 2018

To,

The Members,
CASTLE TRADERS LIMITED,
(CIN:L51909TN1983PLC045632),
Bharat Kumar Bhavan,
617, Anna Salai
Chennai - 600006

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **CASTLE TRADERS LIMITED** (CIN L51909TN1983PLC045632) (hereinafter called the company). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.3.2018 according to the provisions of:

(i) the Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv)The Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (NO TRANSACTIONS DURING THE YEAR UNDER REFERENCE)

(v)All the Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act);

a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015;

b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992:

d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

e) The Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) guidelines, 1999;

f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

h) The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009 and

i) The Securities and Exchange Board of India (Buyback of securities) Regulations, 1998;

(vi) The Shops & Establishments Act, Payment of Wages Act and other Social Welfare Acts;

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

(i)The Secretarial Standards issued by the Institute of Company Secretaries of India;

(ii)The Company's shares are listed with the Metropolitan Stock Exchange of India Limited The shares of the company were earlier listed with the Madras Stock Exchange Limited (MSE). However, after the deregistration of MSE, the company listed its shares with Metropolitan Stock Exchange of India Limited with effect from 14.10.2016. The company has complied with all events based and time based compliences as per the Listing requirements during this period.

I further report that:

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that

There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that,

having regard to the compliance system prevailing in the company and on examination of the relevant documents and records in pursuance thereof, on test – check basis, the Company has complied with the laws specifically applicable to the company,

I further report that during the audit period,

The company has not made offerings of any securities;
The company has not redeemed any of its shares;
The company has not raised secured loans;
The company has obtained unsecured loan from the director for the business operations,.

This report is to be read with my letter of even date which is annexed as Annexure A and forms an integral part of this report.

Place:Chennai

Date:29th May 2018

S.GANESAN

FCS 4779/CP8336
(Company Secretary in Practice)

ANNEXURE –A

To,
The Members,
CASTLE TRADERS LIMITED,
(CIN:L51909TN1983PLC045632),
Bharat Kumar Bhavan,
617, Anna Salai,
Chennai – 600006.

My report of even date to be read along with this letter:

Maintenance of Secretarial records is the responsibility of the Management of the company.

My responsibility is to express an opinion on these secretarial records based on my audit.

I have followed the audit practices and process as were appropriate to obtain Reasonable assurance about the correctness of the contents of the secretarial records.

The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices, I followed, provides a reasonable basis for my opinion.

I have not verified the correctness and appropriateness of financial records and books of accounts of the company.

Wherever required, I have obtained the Management representation about Compliance of laws, rules and regulations and happening of events etc.

The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedure on test basis.

The Secretarial Audit report is neither an assurance as to the future viability of the company nor the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place:Chennai

Date:29th May 2018

S.GANESAN

FCS 4779/CP8336
(Company Secretary in Practice)

27/A, Teachers' Colony,
Khaderpet, Vaniyambadi - 635751
e-mail: pariauditchennai@gmail.com

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
CASTLE TRADERS LIMITED

Report on the Standalone IND-AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **CASTLE TRADERS LIMITED** (hereinafter referred as **"the Company"**), which comprise of the Balance Sheet as at **March 31, 2018**, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the State of Affairs (financial position), Profit or Loss (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) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk

27/A, Teachers' Colony,
Khaderpet, Vaniyambadi - 635751
e-mail: pariauditchennai@gmail.com

assessments, the auditor considers internal financial controls relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the company as at 31st March, 2018, its Profit and Loss (financial performance including other comprehensive income) and its Cash Flows and the changes in equity for the year ended on that date.

Other Matters
The comparative financial information of the company for the year ended 31st March 2017 and the transition date opening balance sheet as at 1st April 2016 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by YEZDI & CO., vide their reports for the year ended 31st March 2017 and 31st March 2016 dated 29.05.2017 and 22.08.2016 respectively, wherein they have expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of these matters.

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 Companies Act, 2013, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that: -

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss, 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 standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the Directors as on 31.03.2018 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2018, 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 and the operating effectiveness of such controls, refer to our separate Report in **Annexure B.**

(g) 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 by the Companies (Audit and Auditors) Amendment Rules, 2017, 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 and

iii. there was no amount which was required to be transferred to the Investor Education and Protection Fund;

For V.KRISHNAN & CO.
Chartered Accountants,
FRN 001541S

Place: Chennai
Date: 29.05.2018

(G. PARI)
Partner
Membership No.26769

V. KRISHNAN & CO.,
Chartered Accountants

27/A, Teachers' Colony,
Khaderpet, Vaniyambadi - 635751
e-mail: pariauditchennai@gmail.com

ANNEXURE – A

REFERRED IN PARAGRAPH 1 *UNDER `REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS OF OUR REPORT ON EVEN DATE:*

(i) (a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of its fixed assets.

(b) The said company has written of the balances in fixed assets at the year end, due to expire of its useful lives

(c) According to the information and explanation given to us, the company does not have any immovable property and accordingly verification of its title deeds in the name of company does not arise.

(ii) As explained to us, the stock of inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable and the discrepancies noticed on verification between the physical stocks and the book records were not material, however the same has been properly dealt with in the books of accounts.

(iii) (a) As informed, 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 paragraph 3 (iii) of the Order is not applicable.

(iv) According to the information and explanations given to us, in respect of loans, investments, guarantees and security, the provisions of section 185 and 186 of the Act have been complied with.

(v) According to the information and explanations given to us, the company has not accepted any deposits in contravention of directives issued by Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder, where applicable. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any Tribunal.

(vi) We have been informed that the Central Government has not prescribed the maintenance of cost records by the company under sub-section (1) of section 148 of the Act for the Company and accordingly paragraph 3(vi) of the Order is not applicable to the company.

(vii) (a) According to the books of account and records of the Company produced and examined by us in accordance with the generally accepted auditing practices in India, in our opinion, the Company has generally been regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, GST, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable with appropriate authorities in India. As explained to us no undisputed amounts payable in respect of such statutory dues were in arrears, as at **31st March 2018** for a period of more than six (6) months from the date they became payable.

(b) According to the information and explanations given to us as at the balance sheet date, there are no dues of income tax, sales tax wealth tax, service tax, duty of customs, duty of excise, value added tax and cess which have not been deposited on account of any dispute.

Page -2 (Annexure –A)

(viii) Based on our audit procedures and according to the information and explanations given to us, the Company has not borrowed and hence default in repayment of dues to a financial institution, bank, government or dues to debenture holders does not arise.

(ix) The Company has not raised monies by way of initial public offer or further public offer (including debt instruments) and term loans during the year under audit.

(x) Based upon the audit procedures performed and according to the information and explanations given to us, no fraud by the Company or any fraud on the company by its officers or employees has been noticed or reported during the course of our audit that causes the financial statements to be materially misstated.

(xi) No managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.

(xii) The Company is not a NIDHI Company and accordingly the paragraph 3 (xii) of the Order is not applicable.

(xiii) Based upon the audit procedures performed and according to the information and explanations given to us, all transactions with related parties are in compliance with sections 177 and 188 of the Act, where applicable and the details have been disclosed in the financial statements etc as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, the company has not made any private placement or preferential allotment of shares during the year under audit and accordingly the paragraph 3 (xiv) of the Order is not applicable.

(xv) 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 Company is not required to be registered under section 45-1A of the Reserve Bank of India.

For V.KRISHNAN & CO.
Chartered Accountants,
FRN 001541S

Place: Chennai
Date : 29.05.2018

(G. PARI)
Partner
Membership No.26769

ANNEXURE – B

REFERRED IN PARAGRAPH 4 *(f)* *OF* THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF CASTLE TRADERS 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 over financial reporting of **CASTLE TRADERS LIMITED** (hereinafter referred as "**the Company**") as of March 31, 2018 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 (the Guidance Note) 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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act 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 unauthorized 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.

In our opinion, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting as of March 31, 2018, 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", and except for the effects/possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting were operating effectively as of March 31, 2018. We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2018 financial statements of the Company, and the material weakness does not affect our opinion on the standalone financial statements of the Company.

For V.KRISHNAN & CO.
Chartered Accountants,
FRN 001541S

Place: Chennai (camp)
Date : 29.05.2018

(G. PARI)
Partner - Membership No.26769

V. KRISHNAN & CO.,
Chartered Accountants

27/A, Teachers' Colony,
Khaderpet, Vaniyambadi - 635751
e-mail: pariauditchennai@gmail.com

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
CASTLE TRADERS LIMITED

Report on the Comparative Indian Accounting Standards [Ind AS] Financial Statements

We have audited the accompanying special purpose standalone Ind AS financial statements of **CASTLE TRADERS LIMITED** (hereinafter referred as **"the Company"**), which comprise of the Balance Sheet as at **March 31, 2017**, and the Opening Balance Sheet as at 1st April, 2016, the Statement of Profit and Loss (including other comprehensive income) and the Statement of Changes in Equity for the year ended 31.03.2017 and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Comparative Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Comparative standalone Ind AS financial statements in accordance with the basis of accounting described in paragraph B of Significant Accounting Policies.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Comparative standalone Ind AS financial statements.

Auditor's Responsibility

Our responsibility is to express an opinion on these Comparative standalone Ind AS financial statements based on our audit.

We conducted our audit of the Comparative standalone Ind AS financial statements in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purposes of expressing an opinion on the effectiveness of the Company's internal financial controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the comparative standalone Ind AS financial statements.

Opinion
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Comparative standalone Ind AS financial statements for the year ended 31st March, 2017 (including opening balance sheet as at 1st April, 2016), are prepared, in all material respects, in accordance with the basis of accounting described in paragraph 2.2 of Significant Accounting Policies of these financial statements.

Basis of Accounting
Without modifying our opinion, we draw attention to paragraph 2.2 of Significant Accounting Policies to the comparative standalone Ind AS financial statements, which describes the basis of accounting. The financial statements are prepared to assist **CASTLE TRADERS LIMITED** to meet the requirements of preparation of first set of complete standalone Ind AS financial statements. As a result, the financial statements may not be suitable for another purpose.

Emphasis matter
We draw attention to paragraph 2.2 of Significant Accounting Policies to the comparative standalone Ind AS financial statements, which describes the basis of accounting and further states that the comparative financial information has not been included in these financial statements. Only a complete set of financial statements together with comparative financial information can provide a fair presentation of the company's state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and the changes in equity.

Our opinion is not modified in respect of this matter.

Other Matter
The financial information for the year ended 31st March, 2017 and the transition date opening balance sheet as at 1st April, 2016 included in these special purpose standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by YEZDI & CO., report dated 29.05.2017 and 22.08.2016 respectively wherein we have expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS which have been audited by us.

Our opinion is not modified in respect of these matters.

For V.KRISHNAN & CO.
Chartered Accountants,
FRN 001541S

Place: Chennai
Date: 29.05.2018

(G. PARI)
Partner
Membership No.26769

Castle Traders Limited
Balance sheet as at March 31, 2018
(All amounts are in Indian rupees unless otherwise stated)

Particulars	Notes	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
Assets				
Non-current assets				
Property, plant and equipment	3	-	12,372	13,413
Financial assets				
Investments	4	9,967,634	10,156,247	10,156,247
Total non-current assets		**9,967,634**	**10,168,619**	**10,169,660**
Current assets				
Inventories	7	711,480	18,622	-
Financial assets				
Cash and cash equivalents	8	1,344,118	361,050	2,204,120
Other financial assets	5	-	480,000	-
Other current assets	6	1,354,798	843,194	1,337,798
Total current assets		**3,410,396**	**1,702,866**	**3,541,918**
Total Assets		**13,378,030**	**11,871,485**	**13,711,578**
Equity and Liabilities				
Equity				
Equity share capital	9	2,450,000	2,450,000	2,450,000
Other equity	10	8,428,291	7,029,787	8,251,674
Total equity		**10,878,291**	**9,479,787**	**10,701,674**
Non-current liabilities				
Deferred tax liabilities (net)	13	2,321,972	2,370,540	2,370,540
Total non-current liabilities		**2,321,972**	**2,370,540**	**2,370,540**
Current liabilities				
Financial liabilities				
Trade payables	11	61,086	21,158	516,750
Provisions	12	42,185	-	122,614
Other current liabilities	14	74,496	-	-
Total current liabilities		**177,767**	**21,158**	**639,364**
Total liabilities		**2,499,739**	**2,391,698**	**3,009,904**
Total Equity and Liabilities		**13,378,030**	**11,871,485**	**13,711,578**

Statement on Significant Accounting Policies and Notes to the Financial Statements are an integral part of the financial statements.

As per our report of even date

For V. Krishnan & Co
Chartered Accountants
ICAI Firm registration number: 001541S

For and on behalf of the board of directors of Castle Traders Limited

G.PARI
Partner
Membership no.: 026769
Place: Chennai
Date: May 29, 2018

Bharat Kumar Chordia
Whole time Director
DIN:00049455

V. Rajamanickam
Director
DIN:00049594

Vijay Prasath
Chief Financial Officer

Vijayalakshmi Saravanan
Company Secretary

Castle Traders Limited
Statement of profit and loss for the year ended March 31, 2018
(All amounts are in Indian rupees unless otherwise stated)

Particulars	Notes	Year ended 31-Mar-2018	Year ended 31-Mar-2017
Income			
Revenue from operations	15	198,421,832	168,558
Other income	16.1	-	110
Finance income	16.2	734	163,956
Total Income		**198,422,566**	**332,624**
Expenses			
Purchase of traded goods	17	193,744,950	175,554
(Increase)/Decrease in inventories of finished goods	18	-692,858	-18,622
Employee benefits expense	19	240,000	552,996
Finance costs	20	69,515	1,714
Depreciation and amortization expense	21	12,372	1,041
Other expenses	22	3,147,853	841,828
Total expense		**196,521,832**	**1,554,511**
Profit before tax		**1,900,734**	**(1,221,887)**
Current tax		362,185	-
Deferred tax		-	-
Income tax expense		**362,185**	**-**
Profit for the year (I)		**1,538,549**	**(1,221,887)**
Other comprehensive income:			
(i) Other comprehensive income not to be reclassified to profit or loss in subsequent periods:		-	-
(ii) Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Gain / (loss) on FVOCI equity securities (Net)		(188,614)	6,849,687
Income tax effect		48,568	(2,370,540)
		(140,046)	4,479,148
Other comprehensive loss for the year, net of tax (II)		**(140,046)**	**4,479,148**
Total comprehensive income for the year, net of tax (I + II)		**1,398,503**	**3,257,261**
Earnings per equity share of INR 10 each	23		
Basic and diluted		6.28	(4.99)
Nominal value per equity share (Rs)		10.00	10.00

Statement on Significant Accounting Policies and Notes to the Financial Statements are an integral part of the financial statements.

As per our report of even date

For V. Krishnan & Co
Chartered Accountants
ICAI Firm registration number: 001541S

For and on behalf of the board of directors of
Castle Traders Limited

G.PARI
Partner
Membership no.: 026769
Place: Chennai
Date: May 29, 2018

Bharat Kumar Chordia
Whole time Director
DIN:00049455

V. Rajamanickam
Director
DIN:00049594

Vijay Prasath
Chief Financial Officer

Vijayalakshmi Saravanan
Company Secretary

Castle Traders Limited
Cash flow statement for the year ended March 31, 2018
(All amounts are in Indian rupees unless otherwise stated)

Particulars		Year ended31-Mar-2018	Year ended31-Mar-2017
Cash flow from operating activities			
Net Profit/(loss) before tax and extraordinary items		1,900,734	-1,221,887
Adjustments for:			
Depreciation		12,372	1,041
Dividend income		-	-110
Finance income		-734	-163,956
Finance costs		69,515	1,714
Cash flows before working capital changes		**1,981,887**	**-1,383,198**
Adjustments for:			
Trade and other receivables			
Other non current assets			
Other current assets		-511,604	494,604
Other financial assets		480,000	-480,000
Inventories		-692,858	-18,622
Provisions		42,185	-122,614
Other current liabilities		74,496	-
Trade payables		39,928	-495,592
Cash flows from operating activities		1,414,034	-2,005,422
Direct taxes paid (net)		-362,185	-
Net cash flows from operating activities	**A**	**1,051,849**	**-2,005,422**
Cash flow used in investing activities			
Interest received		734	163,956
Dividend received		-	110
Net cash used in investing activities	**B**	**734**	**164,066**
Cash flow from financing activities			
Interest paid		-69,515	-1,714
Net cash from financing activities	**C**	**-69,515**	**-1,714**
Net decrease in cash and cash equivalents	**(A+B+C)**	**983,068**	**-1,843,070**
Opening balance of cash and cash equivalents	D	361,050	2,204,120
Closing balance of cash and cash equivalents	E	1,344,118	361,050
Net decrease in cash and cash equivalents	**(E-D)**	**983,068**	**-1,843,070**

As per our report of even date

For V. Krishnan & Co
Chartered Accountants
ICAI Firm registration number: 001541S

For and on behalf of the board of directors of
Castle Traders Limited

G.PARI
Partner
Membership no.: 026769
Place: Chennai
Date: May 29, 2018

Bharat Kumar Chordia
Whole Time Director
DIN:00049455

V. Rajamanickam
Director
DIN:00049594

Vijay Prasath
Chief Financial Officer

Vijayalakshmi Saravanan
Company Secretary

Castle Traders Limited
Statement of changes in equity for the year ended March 31, 2018
(All amounts are in Indian rupees unless otherwise stated)

a. Equity Share Capital:

Equity shares of INR 10 each issued, subscribed and fully paid

	Number of shares	Amount
As at April 01, 2016	**245,000**	**2,450,000**
Issue of share capital during the year ended March 31, 2017	-	-
As at March 31, 2017	**245,000**	**2,450,000**
Issue of share capital during the period ended March 31, 2018	-	-
As at March 31, 2018	**245,000**	**2,450,000**

b. Other equity

Particulars	Reserves & Surplus			Total Other Equity
	General Reserve	Retained earnings	FVTOCI RESERVE	
As at April 01, 2016	**590,000**	**3,182,527**	**4,479,148**	**8,251,674**
Profit for the year	-	-1,221,887	-	**-1,221,887**
As at March 31, 2017	**590,000**	**1,960,640**	**4,479,148**	**7,029,787**
Profit for the year	-	1,538,549	-140,046	**1,398,503**
As at 31-Mar-2018	**590,000**	**3,499,189**	**4,339,102**	**8,428,291**

As per our report of even date

For V. Krishnan & Co
Chartered Accountants
ICAI Firm registration number: 001541S

For and on behalf of the board of directors of
Castle Traders Limited

G.PARI
Partner
Membership no.: 026769
Place: Chennai
Date: May 29, 2018

Bharat Kumar Chordia
Whole Time Director
DIN:00049455

V. Rajamanickam
Director
DIN:00049594

Vijay Prasath
Chief Financial Officer

Vijayalakshmi Saravanan
Company Secretary

1. Corporate Information

Castle Traders Limited ("the Company") was incorporated in the year 1983. The Company is a public limited Company domiciled in India and has its listing on MSE Limited in India. The registered office of the Company is located in Chennai.

The Company is engaged in the business of trading goods, shares and securities. During the current year, the Company has amended its Articles of Association to include the sale of used cars as a business activity. The Company has commenced its operations towards the sale of used cars from the current year.

2. Summary of significant accounting policies

2.1 Statement of compliance

The financial statements have been prepared in accordance with Ind AS notified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015.

Upto the year ended March 31, 2017, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016. Refer Note 29 for the details of first-time adoption exemptions availed by the Company.

The figures are presented in INR (Indian Rupees), unless otherwise stated.

2.2 Basis of Preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015. For all periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies Accounting Standard (Amendment) Rules, 2016 (Indian GAAP). These financial statements for the year ended March 31, 2018 are the first the Company has prepared in accordance with Ind AS.

Refer to note 30 for information on how the Company adopted Ind AS.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

2.3 Summary of Significant Accounting Policies

a.Current versus non-current classification

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

-Expected to be realised or intended to be sold or consumed in normal operating cycle;

-Held primarily for the purpose of trading;

-Expected to be realised within twelve months after the reporting period; or

-Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

-It is expected to be settled in normal operating cycle;

-It is held primarily for the purpose of trading;

-It is due to be settled within twelve months after the reporting period; or

There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

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 instrument, such as, derivatives at fair value as 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:

- In the principal market for the asset or liability; or

- 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 economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use of 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 financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

> Level 1- Quoted (unadjusted) market price in active markets for identical assets or liabilities.

> Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

> Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing 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.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as investments and deposits measured at fair value, and for non-recuring measurement.

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 hirerachy as explained above.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relavant notes to the financial statements.

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, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

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

i. Sale of goods

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods and collectability of resulting receivable. The Company generally recognises revenue on accrual basis. However, where the ultimate collection of the same lacks reasonable certainty, revenue recognition is postponed to such extent.

ii. Interest income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Interest income is included under the head "Finance Income" in the statement of profit and loss.

iii. Dividend

Dividend income is recognised when the right to receive the dividend is established

iv. Profit on sale of investments

Profit on sale of investment is recognised only at the time when the investments are realised.

d. Foreign currency transactions and balances

<u>Initial recognition</u>

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at the average rates that closely approximate the rate at the date of the transaction.

Measurement as at Balance Sheet date

Foreign currency monetary items of the Company outstanding at the Balance Sheet date are restated at year end exchange rates.

Non-monetary items carried at historical cost are translated using the exchange rates at the dates of initial transactions.

Treatment of Exchange differences

Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the statement of profit and loss.

e. Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Inventories are written down for obsolete/slow moving/non-moving items wherever necessary.

f. Provisions and contingencies

A provision is recognized when an enterprise has a present obligation as a result of past event 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. Provisions are not discounted to its present value and are determined based on best estimate of amounts required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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

h. 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 in the country where the Company operates and generates taxable income. 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). 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 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:

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.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year 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 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.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year 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 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.

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.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company’s cash management.

j.Property, plant and equipment

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost (net of duty / tax credit availed) less accumulated depreciation and accumulated impairment losses.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

The cost of property, plant and equipment not ready for intended use before such date is disclosed under capital work-in-progress.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure, are charged to the statement of profit and loss for the period during which such expenses are incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

The Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2016 (the transition date) measured as per the previous GAAP and use such carrying value as its deemed cost as of the transition date.

Depreciation on fixed assets is calculated on a written down value method ("WDV") over the useful life of the assets. Useful life as provided under schedule II of the Companies Act 2013 is considered. Residual value for all assets is considered at 5% of original cost.

Assets costing rupees five thousand or less are fully depreciated in the year of acquisition.

<u>Impairment of tangible and intangible assets carried at cost</u>

The carrying amounts of assets are reviewed at each balance sheet date for any indication of impairment based on internal / external factors. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's or cash-generating units (CGU) recoverable value and its value in use. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. A previously recognized impairment loss is increased or reversed depending only for change in assumptions or internal/external factors. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

l. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. In respect of agreements entered into by the Company before the date of transition to Ind AS, the Company has evaluated the transaction based on facts and conditions as at the transition date.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are 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' general policy on the borrowing costs.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

p. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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 period are adjusted for the effects of all dilutive potential equity shares, if any.

q. 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)

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated 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 group 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.

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, debt securities, deposits, trade receivables and bank balance
b) Trade receivables

The Company follows 'simplified approach' for recognition of impairment loss allowance on:
► Trade receivables or contract revenue receivables; and

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.

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 group 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: For debt instruments measured at FVOCI, the expected credit losses do not reduce the carrying amount in the balance sheet, which remains at fair value.

Instead, an amount equal to the allowance that would arise if the asset was measured at amortised cost is recognised in other comprehensive income as the 'accumulated impairment amount"

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

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, 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 trade 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 are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.
Gains or losses on liabilities held for trading are recognised in the 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/ loss are not subsequently transferred to P&L. However, the group 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 group has not designated any financial liability as at fair value through profit and loss.
Loans and borrowings
This is the category most relevant to the group. 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..
Financial guarantee contracts
Financial guarantee contracts issued by the group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a

liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(All amounts are in Indian rupees unless otherwise stated)

3 Property Plant & Equipment

Particulars	Buildings	Vehicles	Total Property Plant & Equipment
As at 01-Apr-2016	**13,220**	**193**	**13,413**
Additions	-	-	-
Disposals	-	-	-
As at 31-Mar-2017	**13,220**	**193**	**13,413**
Additions	-	-	-
Disposals	-	-	-
As at 31-Mar-2018	**13,220**	**193**	**13,413**
Depreciation/Amortization			
As at 01-Apr-2016	**-**	**-**	**-**
Charge for the year	925	116	1,041
Disposals	-	-	-
As at 31-Mar-2017	**925**	**116**	**1,041**
Charge for the year*	12,295	77	12,372
Disposals	-	-	-
As at 31-Mar-2018	**13,220**	**193**	**13,413**
Net Block			
As at 01-Apr-2016	**13,220**	**193**	**13,413**
As at 31-Mar-2017	**12,295**	**77**	**12,372**
As at 31-Mar-2018	**-**	**-**	**-**

Opening balance of assets

The Company has elected to regard the WDV of assets as of March 31, 2016 as deemed cost, accordingly the gross block as of April 1, 2016 presented above, is net of accumulated depreciation of INR 13,413 (Refer note below).

* As the useful lives of the assets are completed, the Company has decided to write off the opening WDV as at April 01, 2017 during the current year.

Note

Particulars	Tangible assets	Intangible assets
Gross block as at March 31, 2016	78,030	-
Less: Accumulated depreciation as at March 31, 2016	64,617	-
WDV as at March 31, 2016	13,413	-

(All amounts are in Indian rupees unless otherwise stated)

4 Investments

	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
Investments at fair value through OCI (fully paid)			
Investment in non-group companies			
Quoted shares	3,325,000	3,325,000	3,325,000
Investment in group companies			
Unquoted shares	6,642,634	6,831,247	6,831,247
Total investments at cost	**9,967,634**	**10,156,247**	**10,156,247**
Aggregate market value Quoted of Investments	3,325,000	3,325,000	3,325,000

	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
Investment in quoted shares			
Arihant Securites Limited			
No of shares	475,000	475,000	475,000
Value	3,325,000	3,325,000	3,325,000
Aggregate amount of investment in quoted shares	**3,325,000**	**3,325,000**	**3,325,000**
Investment in unquoted shares			
Navratan Property Holdings Private limited			
No of shares	8,390,250	8,390,250	84,750
Value	847,500	847,500	847,500
Ultraplus Housing Estates Private limited			
No of shares	57,900	57,900	57,900
Value	5,618,871	5,618,871	5,618,871
Olympia Merlin Developers Private Limited			
No of shares	125,000	125,000	125,000
Value	176,263	364,877	364,877
Aggregate amount of investment in unquoted shares	**6,642,634**	**6,831,247**	**6,831,247**
Total investments carried at FVOCI	**9,967,634**	**10,156,247**	**10,156,247**

Investment in fair value through OCI (fully paid) reflect investment in quoted and unquoted equity investments.

5 Other financial assets (current)

	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
Loans to related parties	-	480,000	-
Total other financial assets at amortised cost	**-**	**480,000**	**-**

(All amounts are in Indian rupees unless otherwise stated)

6 Other current assets (current)

	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
Unsecured and considered good			
Balance with revenue authorities	45,358	61,754	45,358
Advance paid to vendors	528,000	-	511,000
Other current assets	781,440	781,440	781,440
Total Other current assets	**1,354,798**	**843,194.00**	**1,337,798.00**

7 Inventories (at lower of cost and net realisable value)

	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
Finished goods	711,480	18,622	-
Total inventories at the lower of cost and net realisable value	**711,480**	**18,622**	**-**

8 Cash and Cash Equivalents

	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
Balances with banks:			
– On current accounts	1,344,118	361,050	2,204,120
	1,344,118	**361,050**	**2,204,120**

For the purpose of statement of cashflows, cash and cash equivalents comprise the following:

On current accounts	1,344,118	361,050	2,204,120
	1,344,118	**361,050**	**2,204,120**

9 Equity share capital

	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
Authorised capital			
2,45,000 (March 31,2017: 2,45,000) equity shares of INR 10 each	2,450,000	2,450,000	2,450,000
Increase during the year	-	-	-
	2,450,000	**2,450,000**	**2,450,000**
Issued, subscribed and fully paid-up capital			
2,45,000 (March 31,2017: 2,45,000) equity shares of INR 10 each	2,450,000	2,450,000	2,450,000
	2,450,000	**2,450,000**	**2,450,000**

(i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

	No of shares	Amount
At April 01, 2016	245,000	2,450,000
Issued during the year	-	-
At March 31, 2017	245,000	2,450,000
Issued during the year	-	-
Number of equity shares outstanding at the end of the year	**245,000**	**2,450,000**

(ii) Term/Rights attached to equity shares

The Company has only one class of equity shares having a face value of INR 10 each. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subjected to the approval of the shareholder in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the assets of the Company, in proportion to the number of equity shares held by the shareholders. Each shareholder is eligible for one vote per share held.

(iii) Details of Shareholders holding more than 5 percent shares in the Company:

	As at 31-Mar-2018		As at 31-Mar-2017		As at 01-Apr-2016	
Name of shareholder	**No. of Shares**	**% against total no of shares**	**No. of Shares**	**% against total no of shares**	**No. of Shares**	**% against total no of shares**
Equity shares of Rs.10 each fully paid up held by:						
Khivraj Holdings Private Limited	31,500	12.86%	31,500	12.86%	31,500	12.86%
Bharat Kumar Chordia	34,500	14.08%	34,500	14.08%	34,500	14.08%

As per records of the Company, including its register of members, the above shareholding represents both legal and

10 Other equity

	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
General reserve	590,000	590,000	590,000
Retained earnings	3,499,189	1,960,640	3,182,527
Other reserves			
FVTOCI reserve	4,339,102	4,479,148	4,479,148
Total other equity	**8,428,291**	**7,029,787**	**8,251,674**

(All amounts are in Indian rupees unless otherwise stated)

Particulars	Amount
General reserve	
At April 01, 2016	590,000
Add: Amount transferred during the year	-
At March 31, 2017	590,000
Add: Amount transferred during the year	-
At March 31, 2018	**590,000**
Retained earnings	
At April 01, 2016	3,182,527
Add: Profit for the year	(1,221,887)
At March 31, 2017	1,960,640
Add: Profit for the year	1,538,549
At March 31, 2018	**3,499,189**
FVTOCI reserve	
At April 01, 2016	-
Adjsutment pursuant to Ind AS transition	4,479,148
At March 31, 2017	4,479,148
Add: Impact during the year	(140,046)
At March 31, 2018	**4,339,102**

11 Trade Payables

	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
Trade Payables			
Dues to Micro, Small & Medium Enterprises	-	-	-
Dues to Related Party	-	-	-
Dues to other than Micro, Small & Medium Enterprises	61,086	21,158	516,750
	61,086	**21,158**	**516,750**

Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled on 30-60-days term for domestic vendors and 60 to 90 days term for import vendors.

12 Provisions

	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
Short-term provisions			
Provision for Income Tax	42,185	-	122,614
Total Provisions	**42,185**	**-**	**122,614**

13 Deferred Tax (Asset) / Liability

	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
Tax effect of items constituting deferred tax liability			
On difference between book balance and tax balance of property, plant and equipment	-	-	-
On fair valuation of investments through OCI	2,321,972	2,370,540	2,370,540
Net Deferred Tax (Asset) / Liability	**2,321,972**	**2,370,540**	**2,370,540**

14 Other Current Liabilities

	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
Statutory dues	74,496	-	-
Total Other Current Liabilities	**74,496**	**-**	**-**

15 Revenue from Operations

	Year ended March 31, 2018	Year ended March 31, 2017
i) Sale of products		
Cars	198,403,210	-
Clothes	18,622	168,558
Total	**198,421,832**	**168,558**

16.1 Other Income

	Year ended March 31, 2018	Year ended March 31, 2017
Dividend income	-	110
	-	**110**

16.2 Finance Income

	Year ended March 31, 2018	Year ended March 31, 2017
Interest income from financial assets carried at amortised cost		
Others	734	163,956
	734	**163,956**

17 Purchase of traded goods

	Year ended March 31, 2018	Year ended March 31, 2017
Puchase of products		
Clothes	-	175,554
Cars	193,003,980	-
Refurbishing charges on cars	740,970	
Purchase of products	**193,744,950**	**175,554**

18 Changes in inventories of work-in-process and finished goods

	Year ended March 31, 2018	Year ended March 31, 2017
Closing stock		
Finished Goods-Vehicles	711,480	18,622
	711,480	**18,622**
Opening stock		
Finished Goods-cloths	18,622	-
	18,622	**-**
Increase / (Decrease) in inventories	**692,858**	**18,622**

19 Employee benefits expense

	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, wages and bonus	240,000	552,996
Total	**240,000**	**552,996**

20 Finance costs

	Year ended March 31, 2018	Year ended March 31, 2017
Interest expense	67,981	-
Bank charges	1,534	1,714
Total	**69,515**	**1,714**

21 Depreciation and amortization expense

	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation of tangible assets (Refer Note 3)	12,372	1,041
Total	**12,372**	**1,041**

22 Other expenses

	Year ended March 31, 2018	Year ended March 31, 2017
Commission	1,446,182	-
Professional charges	1,140,861	823,091
Rent expenses	141,600	-
Sitting fees	115,000	-
Business promotion	96,650	-
Rates and taxes	82,460	-
Miscellaneous expenses	75,100	12,987
Audit fees	50,000	5,750
Total	**3,147,853**	**841,828**

	Year ended March 31, 2018	Year ended March 31, 2017
As auditor:		
Audit fee (inluding taxes)	50,000	5,750
Total	**50,000**	**5,750**

(All amounts are in Indian rupees unless otherwise stated)

23 Earnings Per Share

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

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	31-Mar-2018	31-Mar-2017
Profit after tax	1,538,549	(1,221,887)
Weighted average number of shares		
- Basic	245,000	245,000
- Diluted	245,000	245,000
Profit per share of Rs.10 each		
- Basic	6.28	(4.99)
- Diluted	6.28	(4.99)

24 Significant accounting judgements, estimates and assumptions

The preparation of the Company's Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. In the process of applying the Company’s accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the Financial Statements:

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising 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 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.

(All amounts are in Indian rupees unless otherwise stated)

25 Related Party Transactions

As per Ind AS (AS-18) on related party disclosures issued by the Institute of Chartered Accountants of India the disclosure of transactions with the related party as detailed in the Accounting Standard are given below:

a. Name of the related parties

Associate	Navratan Property Holdings Private limited
Key management personnel	Bharat Kumar Chordia - Whole time Director-(w.e.f May 29, 2017) Vijayalakshmi Saravanan - Company Secretary Vijay Prasath - Chief Financial Officer (w.e.f May 29, 2017)
Other Directors:	Vasudevan Rajamanickam - Director Prassan Kumarii Chordia - Director Rahul Baid - Director Lakshmi Narayanan Ananthakrishnan - Director (w.e.f May 29, 2017)

b. Transactions with related parties

Transactions with the entities in which a person identified in para 9 (a) (i) of Ind AS 24 - Related party disclosures has significant influence over the entities -

	Name of the related party	31-Mar-18	31-Mar-17	01-Apr-16
1	Khivraj Motors Private Limited			
	Transactions during the year			
	Sale of clothes	18,622	168,558	511,000
	Sale of cars	191,774,850	-	-
	Interest received		163,956	
	Outstanding balances			
	Loan given	-	480,000	-
	Trade receivable	-	-	511,000
2	Khivraj Motors Vahan Limited			
	Transactions during the year			
	Purchase of cars	37,620,980	-	-
	Outstanding balances			
	Trade Payables	-	-	-
3	Bharat Kumar Chordia			
	Transactions during the year			
	Deposit received	100,000	-	-
	Deposit Paid	100,000	-	-
	Loan received	5,700,000	-	-
	Loan Repaid	5,700,000	-	-
	Interest paid	67,981	-	-
	Rent paid	141,600	-	-
	Outstanding balances			
	Deposit	-	-	-
	Loan	-	-	-
	Interest	-	-	-
	Rent	-	-	-

26 Segment Information

The Company primarily operates in the automotive segment. The automotive segment includes all activities related to development, design and manufacture of products. The board of directors of the Company, which has been identified as being the chief operating decision maker (CODM), evaluates the Company's performance, allocate resources based on the analysis of the various performance indicator of the Company as a single unit. Therefore, there is no reportable segment for the Company as per the requirement of IND AS 108 “Operating Segments”.

27 Financial risk management objectives and policies

The Company's principal financial liabilities, include trade and other payables. The Company has various financial assets such as trade receivables and cash and short-term deposits, which arise directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company’s primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company’s senior management oversees the management of these risks. The Company’s senior management ensures that the company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Company currently does not hedge or use derivative financial instruments to mitigate foreign exchange related risk exposures. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and credit risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company is not exposed to any of the foreign currency risk since it does not have any foreign currency transactions.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a customer contract, leading to a financial loss. The Company's exposure to credit risk is limited to its operating activities with respect to specified markets (primarily for trade receivables), where the Company sells their products on credit. However these are backed by Letter of Credit, hence the exposure to such risk is not material.

The Company evaluates the concentration of risk with respect to trade receivables as low, as the Company has large portfolio of customers with their operations spread across the country in several jurisdictions.

Credit risk from balances with banks is managed by the Company’s treasury department in accordance with the Company’s policy. Investments of surplus funds are made only with Banks.

The Company’s maximum exposure to credit risk for the components of the balance sheet at March 31, 2018 and March 31, 2017 is the carrying amounts.

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure funds are available for use as per requirements. The Company monitors its risk to a shortage of funds using its forecasts. The table below summarizes the maturity profile of the Company’s financial liabilities based on contractual undiscounted payments.

The Company's prime source of liquidity is cash and cash equivalents. The Company invests its surplus funds in bank & fixed deposit which carry minimal mark to market risks.

(All amounts are in Indian rupees unless otherwise stated)

28 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value. In the event that the Company requires additional capital, monies would be infused by the shareholders to provide appropriate financial support to the Company.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, borrowings, trade and other payables, less cash and short-term deposits. Capital includes equity attributable to the owners of the Company less the fair value adjustment reserve. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

Capital includes debt and equity items as disclosed in the table below

	31-Mar-2018	31-Mar-2017	01-Apr-2016
Borrowings	-	-	-
Less: cash and cash equivalents	(1,344,118)	(361,050)	(2,204,120)
Net debt	**-**	**-**	**-**
Equity	10,878,291	9,479,787	10,701,674
Capital and net debt	**10,878,291**	**9,479,787**	**10,701,674**
Gearing ratio	NA	NA	NA

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018 and March 31, 2017.

29 First-time adoption of Ind AS

These financial statements, for the year ended March 31, 2018, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies Accounting Standard (Amendment) Rules, 2016 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 01, 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 01, 2016 and the financial statements as at and for the year ended March 31, 2017.

Exemptions applied
Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied following exemptions.

Deemed cost for Property, plant and equipment,
Since there is no change in the functional currency, the Company has elected to continue with the carrying value as at April 1, 2016 for all of its investment property, intangibles and property plant & equipment as recognised in its Previous GAAP financial as deemed cost at the transition date.

Mandatory exemptions

Estimates

The estimates at April 1, 2016 and at March 31, 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from Impairment of financial assets based on expected credit loss model where application of Indian GAAP did not require estimation. The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 1, 2016 (i.e. the date of transition to Ind-AS) and as of March 31, 2017.

Effect of the Transition to Ind AS

Reconciliations of the Company's balance sheets prepared under Indian GAAP and Ind AS of April 01, 2016 and March 31, 2017 are also presented in Note 30(I) & 30(II). Reconciliations of the Company's income statements for the year ended March 31, 2017 prepared in accordance with Indian GAAP and Ind AS in Note 30(III).

(All amounts are in Indian rupees unless otherwise stated)

30 (I) Reconciliation of Equity as on April 01, 2016 (Date of transition to Ind-AS)

Particulars	Note Ref	Previous GAAP	Adjustments	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment		13,413	-	13,413
Financial assets				
Investments	A	3,326,560	6,829,687	10,156,247
Total non-current assets		3,339,973	6,829,687	10,169,660
Current assets				
Inventories				
Financial assets		-	-	-
Cash and cash equivalents		2,204,120	-	2,204,120
Other current assets		1,317,798	20,000	1,337,798
Total current assets		3,521,918	20,000	3,541,918
Total Assets		**6,861,891**	**6,849,687**	**13,711,578**
Equity and Liabilities				
Equity				
Equity share capital		2,450,000	-	2,450,000
Other equity	A	3,772,527	4,479,148	8,251,674
Total equity		**6,222,527**	**4,479,148**	**10,701,674**
Non-current liabilities				
Deferred tax liabilities (net)	A	-	2,370,540	2,370,540
Total non-current liabilities		**-**	**2,370,540**	**2,370,540**
Current liabilities				
Financial liabilities		-	-	-
Other payables		516,750	-	516,750
Other current liabilities		122,614	-	122,614
Total current liabilities		**639,364**	**-**	**639,364**
TOTAL EQUITY AND LIABLITIES		**6,861,891**	**6,849,687**	**13,711,578**

(All amounts are in Indian rupees unless otherwise stated)

30 (II) Reconciliation of Equity as on March 31, 2017

Particulars	Note Ref	Previous GAAP	Adjustments	Ind AS
Assets				
Non-current assets				
Property, plant and equipment		12,372	-	12,372
Financial assets		-	-	-
Investments	A	3,326,560	6,829,687	10,156,247
Total non-current assets		**3,338,932**	**6,829,687**	**10,168,619**
Current assets				
Inventories		18,622	-	18,622
Financial assets		-	-	-
Cash and cash equivalents		361,050	-	361,050
Other financial assets		480,000	-	480,000
Other current assets		823,194	20,000	843,194
Total current assets		**1,682,866**	**20,000**	**1,702,866**
Total Assets		**5,021,798**	**6,849,687**	**11,871,485**
Equity and Liabilities				
Equity				
Equity share capital		2,450,000	-	2,450,000
Other equity	A	2,550,640	4,479,148	7,029,787
Total equity		**5,000,640**	**4,479,148**	**9,479,787**
Non-current liabilities				
Other Non-Current Liabilities		-	-	-
Deferred tax liabilities (net)	A	-	2,370,540	2,370,540
Total non-current liabilities		-	2,370,540	2,370,540
Current liabilities				
Financial liabilities				
Trade payables		21,158	-	21,158
Total current liabilities		**21,158**	**-**	**21,158**
TOTAL EQUITY AND LIABLITIES		**5,021,798**	**6,849,687**	**11,871,485**

(All amounts are in Indian rupees unless otherwise stated)

30 (III) Reconciliation of profit or loss for the year ended March 31, 2017

	Foot Note	Previous GAAP	Adjustments	Ind AS
Income				
Revenue from operations		168,558	-	168,558
Other income		110	-	110
Finance income		163,956	-	163,956
Total Income		**332,624**	**-**	**332,624**
Expenses				
Purchase of traded goods		175,554	-	175,554
(Increase)/Decrease in inventories of finished goods		-18,622	-	-18,622
Employee benefits expense		552,996	-	552,996
Finance costs		1,714	-	1,714
Depreciation and amortization expense		1,041	-	1,041
Other expenses		841,828	-	841,828
Total expense		**1,554,511**	**-**	**1,554,511**
Profit before tax		**-1,221,887**	-	**-1,221,887**
Current tax		-	-	-
Deferred tax		-	-	-
Income tax expense		-	-	-
Profit/(Loss) for the year		**-1,221,887**	**-**	**-1,221,887**
Other Comprehensive income:				
(i) Other comprehensive income not to be reclassified to profit or loss in subsequent periods:		-	-	-
(ii) Other comprehensive income to be reclassified to profit or loss in subsequent periods:	A	-	4,479,148	4,479,148
Other comprehensive loss for the year, net of tax (II)		-	4,479,148	4,479,148
Total comprehensive income for the year, net of tax (I + II)		-1,221,887	4,479,148	3,257,261

30 IndAS Notes

A. Investments carried at fair value through OCI

Under Indian GAAP, the Company has been carrying the investments in equity instruments at cost value only. Under Ind AS, the Company has valued these shares at fair value. The difference between fair value and carrying amount under Indian GAAP has been recognised in OCI

B. Deferred tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity. On the date of transition, the net impact on deferred tax liabilities is Rs. 23,21,972/-

C. Statement of Cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

31 Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on March 28, 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after April 01, 2018. The Company plans to adopt the new standard on the required effective date using the full retrospective method. During the current year , the Company performed a preliminary assessment of Ind AS 115, which is subject to changes arising from a more detailed ongoing analysis.

The Company is engaged in the business of trading.

32 Events after the reporting period

There has been no significant subsequent events after the reporting period requiring either disclosure or adjustment to the reported financial statements.

33 Previous years figures

Previous year's figures have been regrouped and reclassified where necessary to conform to this year's classification.

As per our report of even date

For V. Krishnan & Co
Chartered Accountants
ICAI Firm registration number: 001541S

For and on behalf of the board of directors of
Castle Traders Limited

G.PARI
Partner
Membership no.: 026769
Place: Chennai
Date: May 29, 2018

Bharat Kumar Chordia
Whole time Director
DIN:00049455

V. Rajamanickam
Director
DIN:00049594

Vijay Prasath
Chief Financial Officer

Vijayalakshmi Saravanan
Company Secretary

INDEPENDENT AUDITORS' REPORT
to the members of
M/s. CASTLE TRADERS LIMITED

Report on the Consolidated Ind AS Financial Statements

1. We have audited the accompanying Consolidated Ind AS financial statements of **M/s. CASTLE TRADERS LIMITED** ("here in after referred to as the Holding company") and associate company, comprising of the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as'' Consolidated Ind AS Financial Statements'').

Management's Responsibility for the Consolidated Ind AS Financial Statements

2. The Holding Company's Board of Directors is responsible for the Preparation of these Consolidated Ind AS financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the Consolidated financial position, Consolidated financial performance (including Other Compressive Income), Consolidated cash flows and consolidated statement of changes in Equity including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian accounting standards) Rules,2015 (as amended) under Section 133 of the Act. The Board of directors of the Holding Company and its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of holding company and associate 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS financial statements by the Board Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these Consolidated Ind AS Financial Statements based on our audit.

4. While conducting the audit, we have taken into account, the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit in accordance with the Standards on Auditing issued by the institute of chartered accountants of India specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Ind AS Financial Statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers

27/A, Teachers' Colony,
Khaderpet, Vaniyambadi - 635751
e-mail: pariauditchennai@gmail.com

internal financial control relevant to the Holding Company's preparation and presentation of the Consolidated Ind AS Financial Statements that give true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Ind AS Financial Statements.

7. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS Financial Statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the Consolidated financial position of the holding company and its associates as at 31st March, 2018 and their **Consolidated PROFIT** (financial Performance including other comprehensive income), their Consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Other Matters:

9. We did not audit the financial statements of associate company, whose financial statements reflect total assets of Rs26,73,46,879/- as at 31st March 2018, total revenues of Rs.25,78,97,179/- and net cash flows amounting to Rs.17,77,733/- for the year then ended, as considered in the Consolidated Financial Statements. These financial statements or financial information are unaudited and have been furnished to us by the Management and our opinion on the Consolidated Ind AS financial statements in so far as it relates to the amounts and disclosures included in respect of these associate company and our report in terms of section 143 (3) of the Act, in so far as it relates to the aforesaid associate company is based solely on such unaudited financial statements or financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements or financial information are not material on the Consolidated Financial Statements.

10. Our opinion above on the Consolidated Ind AS financial statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the financial statements or financial information certified by the Management.

Report on other legal and regulatory requirements:

11. As required by section 143(3) of the Act, based on our audit and on the consideration of unaudited financial statements or financial information furnished by the Management for the associate company, as noted in the `Other Matters' paragraph, we report to the extent applicable 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 of the aforesaid Consolidated Ind AS Financial Statements.

b) In our opinion proper books of account as required by law relating to preparation of aforesaid Consolidated Ind AS Financial Statements have been kept so far as it appears from our examination of those books and the financial statements or financial information of the management.

c) The Consolidated Ind AS Balance Sheet, the Consolidated Statement of Ind AS Profit and Loss, and the Consolidated Cash Flow Statement and consolidated statement of changes in Equity dealt with by this Report are in agreement with the relevant books of accounts maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements.

d) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended

e) On the basis of written representations received from the directors of the Holding Company as on 31 March, 2018, taken on record by the Board of Directors of the Holding Company and as per the unaudited financial statements or financial information furnished by the Management in respect of associate company, none of the directors of the holding company and its associate is disqualified as on 31 March, 2018, 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 holding company and its associate company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A".**

g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, In our opinion and to the best of our information and according to the explanations given to us and based on the unaudited financial statements or financial information furnished by the Management in respect of associate company as noted in the Other Matters paragraph;

i. The Consolidated Ind AS Financial Statements disclose the impact of pending litigations on the consolidated financial position of the holding company and its associate company.
ii. The holding company and its associate did not have any material foreseeable losses on long term Contracts including derivative Contracts.
iii. There has been no delay in transferring amounts required to be transferred, to the Investors Education Protection Fund by the holding company and its associate company incorporated in India.

G. PARI
Partner – M.No. 26769
V.KRISHNAN & CO.,
Chartered Accountants
FRN: 001541S

Place: Chennai
Date:29.05.2018.

ANNEXURE-A

Referred in clause (f), paragraph 11 of the INDEPENDENT AUDITOR'S REPORT of even date on the Consolidated Ind AS Financial Statements of M/s.CASTLE TRADERS LIMITED for the year ended 31.03.2018

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 over financial reporting of the **M/s. CASTLE TRADERS LIMITED** (Holding Company) as of 31st March, 2018 in conjunction with our audit of the Consolidated Ind AS financial statements of the company as of and 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 based on the internal controls over financial reporting criteria established by the Holding Company and its associate company incorporated in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the Guidance Note) 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 respective 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 Holding 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'') issued by the ICAI 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. 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 include 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 consolidated Ind AS 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 Holding Company's internal financial controls system over financial reporting.

Page -2 (Annexure-A)

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 Holding Company incorporated in India, have, 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 31st March 2018, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For V.KRISHNAN & CO.
Chartered Accountants,
FRN 001541S

Place: Chennai
Date: 29.05.2018

(G. PARI)
Partner
Membership No.26769

Castle Traders Limited
Consolidated Balance sheet as at March 31, 2018
(All amounts are in Indian rupees unless otherwise stated)

Particulars	Notes	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
Assets				
Non-current assets				
Property, plant and equipment	3	-	12,372	13,413
Financial assets				
Investments	4	91,186,358	94,515,859	94,017,110
Total non-current assets		**91,186,358**	**94,528,231**	**94,030,523**
Current assets				
Inventories	7	711,480	18,622	-
Financial assets				
Cash and cash equivalents	8	1,344,118	361,050	2,204,120
Other financial assets	5	-	480,000	-
Other current assets	6	1,354,798	843,194	1,337,798
Total current assets		**3,410,396**	**1,702,866**	**3,541,918**
Total Assets		**94,596,754**	**96,231,097**	**97,572,441**
Equity and Liabilities				
Equity				
Equity share capital	9	2,450,000	2,450,000	2,450,000
Other equity	10	89,647,015	91,389,399	92,112,537
Total equity		**92,097,015**	**93,839,399**	**94,562,537**
Non-current liabilities				
Deferred tax liabilities (net)	13	2,321,972	2,370,540	2,370,540
Total non-current liabilities		**2,321,972**	**2,370,540**	**2,370,540**
Current liabilities				
Financial liabilities				
Trade payables	11	61,086	21,158	516,750
Provisions	12	42,185	-	122,614
Other current liabilities	14	74,496	-	-
Total current liabilities		**177,767**	**21,158**	**639,364**
Total liabilities		**2,499,739**	**2,391,698**	**3,009,904**
Total Equity and Liabilities		**94,596,754**	**96,231,097**	**97,572,441**

Statement on Significant Accounting Policies and Notes to the Financial Statements are an integral part of the financial statements.

As per our report of even date

For V. Krishnan & Co
Chartered Accountants
ICAI Firm registration number: 001541S

For and on behalf of the board of directors of Castle Traders Limited

G.PARI
Partner
Membership no.: 026769
Place: Chennai
Date: May 29, 2018

Bharat Kumar Chordia
Whole time Director
DIN:00049455

V. Rajamanickam
Director
DIN:00049594

Vijay Prasath
Chief Financial Officer

Vijayalakshmi Saravanan
Company Secretary

Castle Traders Limited
Consolidated Statement of profit and loss for the year ended March 31, 2018
(All amounts are in Indian rupees unless otherwise stated)

Particulars	Notes	Year ended 31-Mar-2018	Year ended 31-Mar-2017
Income			
Revenue from operations	15	198,421,832	168,558
Other income	16.1	-	110
Finance income	16.2	734	163,956
Total Income		**198,422,566**	**332,624**
Expenses			
Purchase of traded goods	17	193,744,950	175,554
(Increase)/Decrease in inventories of finished goods	18	-692,858	-18,622
Employee benefits expense	19	240,000	552,996
Finance costs	20	69,515	1,714
Depreciation and amortization expense	21	12,372	1,041
Other expenses	22	3,147,853	841,828
Total expense		**196,521,832**	**1,554,511**
Profit before tax		**1,900,734**	**(1,221,887)**
Current tax		362,185	-
Deferred tax		-	-
Income tax expense		**362,185**	**-**
Profit for the year		**1,538,549**	**(1,221,887)**
Add: Share of profit from Associate for the year		(3,140,888)	498,749
Profit for the year after share of profit from associate (I)		**(1,602,339)**	**(723,138)**
Other comprehensive income:			
(i) Other comprehensive income not to be reclassified to profit or loss in subsequent periods:		-	-
(ii) Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Gain / (loss) on FVOCI equity securities (Net)		(188,614)	6,849,687
Income tax effect		48,568	(2,370,540)
		(140,046)	4,479,148
Other comprehensive loss for the year, net of tax (II)		**(140,046)**	**4,479,148**
Total comprehensive income for the year, net of tax (I + II)		**(1,742,384)**	**3,756,010**
Earnings per equity share of INR 10 each	23		
Basic and diluted		(6.54)	(2.95)
Nominal value per equity share (Rs)		10.00	10.00
Statement on Significant Accounting Policies and Notes to the Financial Statements are an integral part of the financial statements.			

As per our report of even date

For V. Krishnan & Co
Chartered Accountants
ICAI Firm registration number: 001541S

For and on behalf of the board of directors of
Castle Traders Limited

G.PARI
Partner
Membership no.: 026769
Place: Chennai
Date: May 29, 2018

Bharat Kumar Chordia
Whole time Director
DIN:00049455

V. Rajamanickam
Director
DIN:00049594

Vijay Prasath
Chief Financial Officer

Vijayalakshmi Saravanan
Company Secretary

Castle Traders Limited
Consolidated Cash flow statement for the year ended March 31, 2018
(All amounts are in Indian rupees unless otherwise stated)

Particulars		Year ended31-Mar-2018	Year ended31-Mar-2017
Cash flow from operating activities			
Net Profit/(loss) before tax and extraordinary items		1,900,734	-1,221,887
Adjustments for:			
Depreciation		12,372	1,041
Dividend income		-	-110
Finance income		-734	-163,956
Finance costs		69,515	1,714
Cash flows before working capital changes		**1,981,887**	**-1,383,198**
Adjustments for:			
Trade and other receivables			
Other non current assets			
Other current assets		-511,604	494,604
Other financial assets		480,000	-480,000
Inventories		-692,858	-18,622
Provisions		42,185	-122,614
Other current liabilities		74,496	-
Trade payables		39,928	-495,592
Cash flows from operating activities		1,414,034	-2,005,422
Direct taxes paid (net)		-362,185	-
Net cash flows from operating activities	**A**	**1,051,849**	**-2,005,422**
Cash flow used in investing activities			
Interest received		734	163,956
Dividend received		-	110
Net cash used in investing activities	**B**	**734**	**164,066**
Cash flow from financing activities			
Interest paid		-69,515	-1,714
Net cash from financing activities	**C**	**-69,515**	**-1,714**
Net decrease in cash and cash equivalents	**(A+B+C)**	**983,068**	**-1,843,070**
Opening balance of cash and cash equivalents	D	361,050	2,204,120
Closing balance of cash and cash equivalents	E	1,344,118	361,050
Net decrease in cash and cash equivalents	**(E-D)**	**983,068**	**-1,843,070**

As per our report of even date

For V. Krishnan & Co
Chartered Accountants
ICAI Firm registration number: 001541S

For and on behalf of the board of directors of
Castle Traders Limited

G.PARI
Partner
Membership no.: 026769
Place: Chennai
Date: May 29, 2018

Bharat Kumar Chordia
Whole time Director
DIN:00049455

V. Rajamanickam
Director
DIN:00049594

Vijay Prasath
Chief Financial Officer

Vijayalakshmi Saravanan
Company Secretary

Castle Traders Limited
Consolidated Statement of changes in equity for the year ended March 31, 2018
(All amounts are in Indian rupees unless otherwise stated)

a. Equity Share Capital:

Equity shares of INR 10 each issued, subscribed and fully paid

	Number of shares	Amount
As at April 01, 2016	**245,000**	**2,450,000**
Issue of share capital during the year ended March 31, 2017	-	-
As at March 31, 2017	**245,000**	**2,450,000**
Issue of share capital during the period ended March 31, 2018	-	-
As at March 31, 2018	**245,000**	**2,450,000**

b. Other equity

Particulars	Reserves & Surplus				Total Other Equity
	General Reserve	FVTOCI Reserve	Capital Reserve	Retained earnings	
As at April 01, 2016	**590,000**	**4,479,148**	**83,765,039**	**3,278,351**	**92,112,538**
Profit for the year	-	-	-	-723,138	-723,138.00
As at March 31, 2017	**590,000**	**4,479,148**	**83,765,039**	**2,555,213**	**91,389,400**
Profit for the year	-	-140,046	-	-1,602,339	-1,742,385.00
As at 31-Mar-2018	**590,000.00**	**4,339,102**	**83,765,039**	**952,874**	**89,647,015**

As per our report of even date

For V. Krishnan & Co
Chartered Accountants
ICAI Firm registration number: 001541S

For and on behalf of the board of directors of
Castle Traders Limited

G.PARI
Partner
Membership no.: 026769
Place: Chennai
Date: May 29, 2018

Bharat Kumar Chordia
Whole Time Director
DIN:00049455

V. Rajamanickam
Director
DIN:00049594

Vijay Prasath
Chief Financial Officer

Vijayalakshmi Saravanan
Company Secretary

1. Corporate Information

Castle Traders Limited ("the Group") was incorporated in the year 1983. The Group is a public limited Group domiciled in India and has its listing on MSE Limited in India. The registered office of the Group is located in Chennai.

The Group is engaged in the business of trading goods, shares and securities. During the current year, the Group has amended its Articles of Association to include the sale of used cars as a business activity. The Group has commenced its operations towards the sale of used cars from the current year.

2. Summary of significant accounting policies

2.1 Statement of compliance

The financial statements have been prepared in accordance with Ind AS notified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015.

Upto the year ended March 31, 2017, the Group prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are Group's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016. Refer Note 29 for the details of first-time adoption exemptions availed by the Group.

The figures are presented in INR (Indian Rupees), unless otherwise stated.

2.2 Basis of Preparation

The financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015. For all periods up to and including the year ended March 31, 2017, the Group prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies Accounting Standard (Amendment) Rules, 2016 (Indian GAAP). These financial statements for the year ended March 31, 2018 are the first the Group has prepared in accordance with Ind AS.

Refer to note 30 for information on how the Group adopted Ind AS.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

Principles of Consolidation:
The results and assets and liabilities of associates are incorporated in the consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate or a joint venture is initially recognised at cost and adjusted thereafter to recognise the group's share of post-acquisition profits or losses and that of other comprehensive income of the associate or joint venture.Distributions received from an associate or joint venture reduce the carrying amount of the investment. Unrealised gains and losses resulting from transactions between the group and the associate are eliminated to the extent of the interest in the joint venture

After application of the equity method, at each reporting date, the group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there exists such evidence, the group determines the extent of impairment and then recognises the loss in the statement of Profit and loss.

Upon the loss of significant influence over the associate or joint control over the joint venture. the group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or the joint venture and the fair value of the retained investment and proceeds from disposal is recognised in profit and loss.

The list of Companies included in Consolidation relationship with the company and shareholding therein as under.
The reporting date of the entity is 31st March 2018 except specified.

1. Navaratan Properties Private Limited-Associate-34.71% shares held by Castle Traders Limited.

The financial statements or financial information taken for consolidation during the year are unaudited for the above associate.

2.3 Summary of Significant Accounting Policies

a.Current versus non-current classification

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

-Expected to be realised or intended to be sold or consumed in normal operating cycle;

-Held primarily for the purpose of trading;

-Expected to be realised within twelve months after the reporting period; or

-Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

-It is expected to be settled in normal operating cycle;

-It is held primarily for the purpose of trading;

-It is due to be settled within twelve months after the reporting period; or

There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group 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 Group has identified twelve months as its operating cycle.

b. Fair Value Measurement

The Group measures financial instrument, such as, derivatives at fair value as 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:

- In the principal market for the asset or liability; or

- In the absence of a principal market, in the most advantageous market for the asset or liability.

- The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or 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 economic best interest.

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

> Level 1- Quoted (unadjusted) market price in active markets for identical assets or liabilities.

> Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

> Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group 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.

The Group's management determines the policies and procedures for both recurring fair value measurement, such as investments and deposits measured at fair value, and for non-recurring measurement.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes to the financial statements.

c.Revenue Recognition

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

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

i. Sale of goods

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods and collectability of resulting receivable. The Group generally recognises revenue on accrual basis. However, where the ultimate collection of the same lacks reasonable certainty, revenue recognition is postponed to such extent.

ii. Interest income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Interest income is included under the head "Finance Income" in the statement of profit and loss.

iii. Dividend

Dividend income is recognised when the right to receive the dividend is established

iv. Profit on sale of investments

Profit on sale of investment is recognised only at the time when the investments are realised.

d. Foreign currency transactions and balances

Initial recognition

Transactions in foreign currencies entered into by the Group are accounted at the exchange rates prevailing on the date of the transaction or at the average rates that closely approximate the rate at the date of the transaction.

Measurement as at Balance Sheet date

Foreign currency monetary items of the Group outstanding at the Balance Sheet date are restated at year end exchange rates.

Non-monetary items carried at historical cost are translated using the exchange rates at the dates of initial transactions.

Treatment of Exchange differences

Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Group are recognised as income or expense in the statement of profit and loss.

e. Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Inventories are written down for obsolete/slow moving/non-moving items wherever necessary.

f. Provisions and contingencies

A provision is recognized when an enterprise has a present obligation as a result of past event 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. Provisions are not discounted to its present value and are determined based on best estimate of amounts required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of Group or present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extreme rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

h. 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 in the country where the Group operates and generates taxable income. 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). 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 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:

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.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year 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 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.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year 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 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.

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.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

j.Property, plant and equipment

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost (net of duty / tax credit availed) less accumulated depreciation and accumulated impairment losses.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

The cost of property, plant and equipment not ready for intended use before such date is disclosed under capital work-in-progress.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure, are charged to the statement of profit and loss for the period during which such expenses are incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

The Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2016 (the transition date) measured as per the previous GAAP and use such carrying value as its deemed cost as of the transition date.

Depreciation on fixed assets is calculated on a written down value method ("WDV") over the useful life of the assets. Useful life as provided under schedule II of the Companies Act 2013 is considered. Residual value for all assets is considered at 5% of original cost.

Assets costing rupees five thousand or less are fully depreciated in the year of acquisition.

Impairment of tangible and intangible assets carried at cost

The carrying amounts of assets are reviewed at each balance sheet date for any indication of impairment based on internal / external factors. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's or cash-generating units (CGU) recoverable value and its value in use. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. A previously recognized impairment loss is increased or reversed depending only for change in assumptions or internal/external factors. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

l. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. In respect of agreements entered into by the Group before the date of transition to Ind AS, the Group has evaluated the transaction based on facts and conditions as at the transition date.

Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are 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 Group' general policy on the borrowing costs.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

p. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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 period are adjusted for the effects of all dilutive potential equity shares, if any.

q. 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 Group 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)

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Groupdecides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition

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

► The rights to receive cash flows from the asset have expired, or

► The Grouphas 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 Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Group 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 group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Impairment of financial assets

In accordance with Ind AS 109, the Groupapplies 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, debt securities, deposits, trade receivables and bank balance

b) Trade receivables

The Groupfollows 'simplified approach' for recognition of impairment loss allowance on:

► Trade receivables or contract revenue receivables; and

The application of simplified approach does not require the Group 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 Group 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.

ECL is the difference between all contractual cash flows that are due to the Groupin 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 group 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: For debt instruments measured at FVOCI, the expected credit losses do not reduce the carrying amount in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the asset was measured at amortised cost is recognised in other comprehensive income as the 'accumulated impairment amount"

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

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, 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 Group's financial liabilities include trade 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 are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the 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 group 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 group has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

This is the category most relevant to the group. 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.

Financial guarantee contracts

Financial guarantee contracts issued by the group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(All amounts are in Indian rupees unless otherwise stated)

3 Property Plant & Equipment

Particulars	Buildings	Vehicles	Total Property Plant & Equipment
As at 01-Apr-2016	**13,220**	**193**	**13,413**
Additions	-	-	-
Disposals	-	-	-
As at 31-Mar-2017	**13,220**	**193**	**13,413**
Additions	-	-	-
Disposals	-	-	-
As at 31-Mar-2018	**13,220**	**193**	**13,413**
Depreciation/Amortization			
As at 01-Apr-2016	**-**	**-**	**-**
Charge for the year	925	116	1,041
Disposals	-	-	-
As at 31-Mar-2017	**925**	**116**	**1,041**
Charge for the year*	12,295	77	12,372
Disposals	-	-	-
As at 31-Mar-2018	**13,220**	**193**	**13,413**
Net Block			
As at 01-Apr-2016	**13,220**	**193**	**13,413**
As at 31-Mar-2017	**12,295**	**77**	**12,372**
As at 31-Mar-2018	**-**	**-**	**-**

Opening balance of assets

The Group has elected to regard the WDV of assets as of March 31, 2016 as deemed cost, accordingly the gross block as of April 1, 2016 presented above, is net of accumulated depreciation of INR 13,413 (Refer note below).

* As the useful lives of the assets are completed, the Company has decided to write off the opening WDV as at April 01, 2017 during the current year.

Note

Particulars	Tangible assets	Intangible assets
Gross block as at March 31, 2016	78,030	-
Less: Accumulated depreciation as at March 31, 2016	64,617	-
WDV as at March 31, 2016	13,413	-

(All amounts are in Indian rupees unless otherwise stated)

4 Investments

	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
Investments at fair value through OCI (fully paid)			
Investment in non-group companies			
Quoted shares	3,325,000	3,325,000	3,325,000
Investment in group companies			
Unquoted shares	87,861,358	91,190,859	90,692,110
Total investments at cost	**91,186,358**	**94,515,859**	**94,017,110**
Aggregate market value Quoted of Investments	3,325,000	3,325,000	3,325,000

	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
Investment in quoted shares			
Arihant Securites Limited			
No of shares	475,000	475,000	475,000
Value	3,325,000	3,325,000	3,325,000
Aggregate amount of investment in quoted shares	**3,325,000**	**3,325,000**	**3,325,000**
Investment in unquoted shares			
Navratan Property Holdings Private limited			
No of shares	8,390,250	8,390,250	84,750
Value	847,500	847,500	847,500
Capital reserve	83,765,039	83,765,039	83,765,039
Share of profits for earlier years	594,573	95,824	-94,199
Share of profit for the current year	-3,140,888	498,749	190,023
Carrying amount of investment	82,066,224	85,207,112	84,708,363
Ultraplus Housing Estates Private limited			
No of shares	57,900	57,900	57,900
Value	5,618,871	5,618,871	5,618,871
Olympia Merlin Developers Private Limited			
No of shares	125,000	125,000	125,000
Value	176,263	364,877	364,877
Aggregate amount of investment in unquoted shares	**87,861,358**	**91,190,859**	**90,692,110**
Total investments carried at FVTOCI	**91,186,358**	**94,515,859**	**94,017,110**

Investment in fair value through OCI (fully paid) reflect investment in quoted and unquoted equity investments.

5 Other financial assets (current)

	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
Loans to related parties	-	480,000	-
Total other financial assets at amortised cost	**-**	**480,000**	**-**

(All amounts are in Indian rupees unless otherwise stated)

6 Other current assets (current)	**As at 31-Mar-2018**	**As at 31-Mar-2017**	**As at 01-Apr-2016**
Unsecured and considered good			
Balance with revenue authorities	45,358	61,754	45,358
Advance paid to vendors	528,000	-	511,000
Other current assets	781,440	781,440	781,440
Total Other current assets	**1,354,798**	**843,194**	**1,337,798**

7 Inventories (at lower of cost and net realisable value)

	As at 31-Mar-2018	**As at 31-Mar-2017**	**As at 01-Apr-2016**
Finished goods	711,480	18,622	-
Total inventories at the lower of cost and net realisable value	**711,480**	**18,622**	**-**

8 Cash and Cash Equivalents

	As at 31-Mar-2018	**As at 31-Mar-2017**	**As at 01-Apr-2016**
Balances with banks:			
– On current accounts	1,344,118	361,050	2,204,120
	1,344,118	**361,050**	**2,204,120**

For the purpose of statement of cashflows, cash and cash equivalents comprise the following:

On current accounts	1,344,118	361,050	2,204,120
	1,344,118	**361,050**	**2,204,120**

9 Equity share capital

	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
Authorised capital			
2,45,000 (March 31,2017: 2,45,000) equity shares of INR 10 each	2,450,000	2,450,000	2,450,000
Increase during the year	-	-	-
	2,450,000	**2,450,000**	**2,450,000**
Issued, subscribed and fully paid-up capital			
2,45,000 (March 31,2017: 2,45,000) equity shares of INR 10 each	2,450,000	2,450,000	2,450,000
	2,450,000	**2,450,000**	**2,450,000**

(i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

	No of shares	Amount
At April 01, 2016	245,000	2,450,000
Issued during the year	-	-
At March 31, 2017	245,000	2,450,000
Issued during the year	-	-
Number of equity shares outstanding at the end of the year	**245,000**	**2,450,000**

(ii) Term/Rights attached to equity shares

The Company has only one class of equity shares having a face value of INR 10 each. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subjected to the approval of the shareholder in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the assets of the Company, in proportion to the number of equity shares held by the shareholders. Each shareholder is eligible for one vote per share held.

(iii) Details of Shareholders holding more than 5 percent shares in the Company:

	As at 31-Mar-2018		As at 31-Mar-2017		As at 01-Apr-2016	
Name of shareholder	**No. of Shares**	**% against total no of shares**	**No. of Shares**	**% against total no of shares**	**No. of Shares**	**% against total no of shares**
Equity shares of Rs.10 each fully paid up held by:						
Khivraj Holdings Private Limited	31,500	12.86%	31,500	12.86%	31,500	12.86%
Bharat Kumar Chordia	34,500	14.08%	34,500	14.08%	34,500	14.08%

As per records of the Company, including its register of members, the above shareholding represents both legal and

10 Other equity

	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
General reserve	590,000	590,000	590,000
Retained earnings	952,874	2,555,213	3,278,351
Capital reserve on account of shareholding in associate	83,765,039	83,765,039	83,765,039
Other reserves			
FVTOCI reserve	4,339,102	4,479,148	4,479,148
Total other equity	**89,647,015**	**91,389,399**	**92,112,537**

(All amounts are in Indian rupees unless otherwise stated)

Particulars	Amount
General reserve	
At April 01, 2016	590,000
Add: Amount transferred during the year	-
At March 31, 2017	590,000
Add: Amount transferred during the year	-
At March 31, 2018	**590,000**
Retained earnings	
At April 01, 2016	3,278,351
Add: Profit for the year	(723,138)
At March 31, 2017	2,555,213
Add: Profit for the year	(1,602,339)
At March 31, 2018	**952,874**
FVTOCI reserve	
At April 01, 2016	-
Adjsutment pursuant to Ind AS transition	4,479,148
At March 31, 2017	4,479,148
Add: Impact during the year	(140,046)
At March 31, 2018	**4,339,102**
Capital reserve	
At April 01, 2016	83,765,039
Add: Profit for the year	-
At March 31, 2017	83,765,039
Add: Profit for the year	-
At March 31, 2018	**83,765,039**

11 Trade Payables

	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
Trade Payables			
Dues to Micro, Small & Medium Enterprises	-	-	-
Dues to Related Party	-	-	-
Dues to other than Micro, Small & Medium Enterprises	61,086	21,158	516,750
	61,086	**21,158**	**516,750**

Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled on 30-60-days term for domestic vendors and 60 to 90 days term for import vendors.

12 Provisions

	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
Short-term provisions			
Provision for Income Tax	42,185	-	122,614
Total Provisions	**42,185**	**-**	**122,614**

13 Deferred Tax (Asset) / Liability

	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
Tax effect of items constituting deferred tax liability			
On difference between book balance and tax balance of property, plant and equipment	-	-	-
On fair valuation of investments through OCI	2,321,972	2,370,540	2,370,540
Net Deferred Tax (Asset) / Liability	**2,321,972**	**2,370,540**	**2,370,540**

14 Other Current Liabilities

	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
Statutory dues	74,496	-	-
Total Other Current Liabilities	**74,496**	**-**	**-**

15 Revenue from Operations

	Year ended March 31, 2018	Year ended March 31, 2017
i) Sale of products		
Cars	198,403,210	-
Clothes	18,622	168,558
Total	**198,421,832**	**168,558**

16.1 Other Income

	Year ended March 31, 2018	Year ended March 31, 2017
Dividend income	-	110
	-	**110**

16.2 Finance Income

	Year ended March 31, 2018	Year ended March 31, 2017
Interest income from financial assets carried at amortised cost		
Others	734	163,956
	734	**163,956**

17 Purchase of traded goods

	Year ended March 31, 2018	Year ended March 31, 2017
Puchase of products		
Clothes	-	175,554
Cars	193,003,980	-
Refurbishing charges on cars	740,970	
Purchase of products	**193,744,950**	**175,554**

18 Changes in inventories of work-in-process and finished goods

	Year ended March 31, 2018	Year ended March 31, 2017
Closing stock		
Finished Goods-Vehicles	711,480	18,622
	711,480	**18,622**
Opening stock		
Finished Goods-cloths	18,622	-
	18,622	**-**
Increase / (Decrease) in inventories	**692,858**	**18,622**

19 Employee benefits expense

	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, wages and bonus	240,000	552,996
Total	**240,000**	**552,996**

20 Finance costs

	Year ended March 31, 2018	Year ended March 31, 2017
Interest expense	67,981	-
Bank charges	1,534	1,714
Total	**69,515**	**1,714**

21 Depreciation and amortization expense

	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation of tangible assets (Refer Note 3)	12,372	1,041
Total	**12,372**	**1,041**

22 Other expenses

	Year ended March 31, 2018	Year ended March 31, 2017
Commission	1,446,182	-
Professional charges	1,140,861	823,091
Rent expenses	141,600	-
Sitting fees	115,000	-
Business promotion	96,650	-
Rates and taxes	82,460	-
Miscellaneous expenses	75,100	12,987
Audit fees	50,000	5,750
Total	**3,147,853**	**841,828**

	Year ended March 31, 2018	Year ended March 31, 2017
As auditor:		
Audit fee (inluding taxes)	50,000	5,750
Total	**50,000**	**5,750**

(All amounts are in Indian rupees unless otherwise stated)

23 Earnings Per Share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the group by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the group by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	31-Mar-2018	31-Mar-2017
Profit after tax	(1,602,339)	(723,138)
Weighted average number of shares		
- Basic	245,000	245,000
- Diluted	245,000	245,000
Profit per share of Rs.10 each		
- Basic	(6.54)	(2.95)
- Diluted	(6.54)	(2.95)

24 Significant accounting judgements, estimates and assumptions

The preparation of the group's Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the acgrouping 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. In the process of applying the group’s accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the Financial Statements:

Estimates and assumptions

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

(All amounts are in Indian rupees unless otherwise stated)

25 Related Party Transactions

As per Ind AS (AS-18) on related party disclosures issued by the Institute of Chartered Accountants of India the disclosure of transactions with the related party as detailed in the Accounting Standard are given below:

a. Name of the related parties

Key management personnel	Bharat Kumar Chordia - Whole time Director Vijayalakshmi Saravanan - Company Secretary Vijay Prasath - Chief Financial Officer (w.e.f May 29, 2017)
Other Directors:	Vasudevan Rajamanickam - Director Prassan Kumarii Chordia - Director Rahul Baid - Director Lakshmi Narayanan Ananthakrishnan - Director (w.e.f May 29, 2017)

b. Transactions with related parties

Transactions with the entities in which a person identified in para 9 (a) (i) of Ind AS 24 - Related party disclosures has significant influence over the entities -

	Name of the related party	31-Mar-18	31-Mar-17	01-Apr-16
1	Khivraj Motors Private Limited			
	Transactions during the year			
	Sale of clothes	18,622	168,558	511,000
	Sale of cars	191,774,850	-	-
	Interest received	-	163,956	-
	Outstanding balances			
	Loan given	-	480,000	-
	Trade receivable	-	-	511,000
2	Khivraj Vahan Private Limited			
	Transactions during the year			
	Purchase of cars	37,620,980	-	-
	Outstanding balances			
	Trade Payables	-	-	-
3	Bharat Kumar Chordia			
	Transactions during the year			
	Deposit received	100,000	-	-
	Deposit paid	100,000	-	-
	Loan received	5,700,000	-	-
	Loan Given	5,700,000	-	-
	Interest paid	67,981	-	-
	Rent paid	141,600	-	-
	Outstanding balances			
	Deposit	-	-	-
	Loan	-	-	-
	Rent	-	-	-
	Interest	-	-	-

26 Segment Information

The group primarily operates in the automotive segment. The automotive segment includes all activities related to development, design and manufacture of products. The board of directors of the group, which has been identified as being the chief operating decision maker (CODM), evaluates the group's performance, allocate resources based on the analysis of the various performance indicator of the group as a single unit. Therefore, there is no reportable segment for the group as per the requirement of IND AS 108 “Operating Segments”.

27 Financial risk management objectives and policies

The group's principal financial liabilities, include trade and other payables. The group has various financial assets such as trade receivables and cash and short-term deposits, which arise directly from its operations.

The group is exposed to market risk, credit risk and liquidity risk. The group’s primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The group’s senior management oversees the management of these risks. The group’s senior management ensures that the group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the group's policies and risk objectives. The group currently does not hedge or use derivative financial instruments to mitigate foreign exchange related risk exposures. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and credit risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The group is not exposed to any of the foreign currency risk since it does not have any foreign currency transactions.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a customer contract, leading to a financial loss. The group's exposure to credit risk is limited to its operating activities with respect to specified markets (primarily for trade receivables), where the group sells their products on credit. However these are backed by Letter of Credit, hence the exposure to such risk is not material.

The group evaluates the concentration of risk with respect to trade receivables as low, as the group has large portfolio of customers with their operations spread across the country in several jurisdictions.

Credit risk from balances with banks is managed by the group’s treasury department in accordance with the group’s policy. Investments of surplus funds are made only with Banks.

The group’s maximum exposure to credit risk for the components of the balance sheet at March 31, 2018 and March 31, 2017 is the carrying amounts.

Liquidity risk

Liquidity risk refers to the risk that the group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure funds are available for use as per requirements. The group monitors its risk to a shortage of funds using its forecasts. The table below summarizes the maturity profile of the group’s financial liabilities based on contractual undiscounted payments.

The group's prime source of liquidity is cash and cash equivalents. The group invests its surplus funds in bank & fixed deposit which carry minimal mark to market risks.

(All amounts are in Indian rupees unless otherwise stated)

28 Capital management

For the purpose of the group's capital management, capital includes issued equity capital, share premium and other equity reserves attributable to the equity holders of the parent. The primary objective of the group's capital management is to maximise the shareholder value. In the event that the group requires additional capital, monies would be infused by the shareholders to provide appropriate financial support to the group.

The group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The group includes within net debt, borrowings, trade and other payables, less cash and short-term deposits. Capital includes equity attributable to the owners of the group less the fair value adjustment reserve. To maintain or adjust the capital structure, the group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

Capital includes debt and equity items as disclosed in the table below

	31-Mar-2018	31-Mar-2017	01-Apr-2016
Borrowings	-	-	-
Less: cash and cash equivalents	1,344,118	361,050	2,204,120
Net debt	**-**	**-**	**-**
Equity	92,097,015	93,839,399	94,562,537
Capital and net debt	**92,097,015**	**93,839,399**	**94,562,537**
Gearing ratio	NA	NA	NA

In order to achieve this overall objective, the group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018 and March 31, 2017.

29 First-time adoption of Ind AS

These financial statements, for the year ended March 31, 2018, are the first the group has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2017, the group prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies Accounting Standard (Amendment) Rules, 2016 (Indian GAAP).

Accordingly, the group has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the group's opening balance sheet was prepared as at April 01, 2016, the group's date of transition to Ind AS. This note explains the principal adjustments made by the group in restating its Indian GAAP financial statements, including the balance sheet as at April 01, 2016 and the financial statements as at and for the year ended March 31, 2017.

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The group has applied following exemptions.

Deemed cost for Property, plant and equipment,

Since there is no change in the functional currency, the group has elected to continue with the carrying value as at April 1, 2016 for all of its investment property, intangibles and property plant & equipment as recognised in its Previous GAAP financial as deemed cost at the transition date.

Mandatory exemptions

Estimates

The estimates at April 1, 2016 and at March 31, 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from Impairment of financial assets based on expected credit loss model where application of Indian GAAP did not require estimation. The estimates used by the group to present these amounts in accordance with Ind AS reflect conditions at April 1, 2016 (i.e. the date of transition to Ind-AS) and as of March 31, 2017.

Effect of the Transition to Ind AS

Reconciliations of the group's balance sheets prepared under Indian GAAP and Ind AS of April 01, 2016 and March 31, 2017 are also presented in Note 30(I) & 30(II). Reconciliations of the group's income statements for the year ended March 31, 2017 prepared in accordance with Indian GAAP and Ind AS in Note 30(III).

(All amounts are in Indian rupees unless otherwise stated)

30 (I) Reconciliation of Equity as on April 01, 2016 (Date of transition to Ind-AS)

Particulars	Note Ref	Previous GAAP	Adjustments	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment		13,413	-	13,413
Financial assets				
Investments	A	3,326,560	90,690,550	94,017,110
Total non-current assets		3,339,973	90,690,550	94,030,523
Current assets				
Inventories				
Financial assets		-	-	-
Cash and cash equivalents		2,204,120	-	2,204,120
Other current assets		1,317,798	20,000	1,337,798
Total current assets		3,521,918	20,000	3,541,918
Total Assets		**6,861,891**	**90,710,550**	**97,572,441**
Equity and Liabilities				
Equity				
Equity share capital		2,450,000	-	2,450,000
Other equity	A	3,772,527	88,340,011	92,112,537
Total equity		**6,222,527**	**88,340,011**	**94,562,537**
Non-current liabilities				
Deferred tax liabilities (net)	A	-	2,370,540	2,370,540
Total non-current liabilities		**-**	**2,370,540**	**2,370,540**
Current liabilities				
Financial liabilities		-	-	-
Other payables		516,750	-	516,750
Other current liabilities		122,614	-	122,614
Total current liabilities		**639,364**	**-**	**639,364**
TOTAL EQUITY AND LIABLITIES		**6,861,891**	**90,710,550**	**97,572,441**

(All amounts are in Indian rupees unless otherwise stated)

30 (II) Reconciliation of Equity as on March 31, 2017

Particulars	Note Ref	Previous GAAP	Adjustments	Ind AS
Assets				
Non-current assets				
Property, plant and equipment		12,372	-	12,372
Financial assets		-	-	-
Investments	A	3,326,560	91,189,299	94,515,859
Total non-current assets		**3,338,932**	**91,189,299**	**94,528,231**
Current assets				
Inventories		18,622	-	18,622
Financial assets		-	-	-
Cash and cash equivalents		361,050	-	361,050
Other financial assets		480,000	-	480,000
Other current assets		823,194	20,000	843,194
Total current assets		**1,682,866**	**20,000**	**1,702,866**
Total Assets		**5,021,798**	**91,209,299**	**96,231,097**
Equity and Liabilities				
Equity				
Equity share capital		2,450,000	-	2,450,000
Other equity	A	2,550,640	88,838,760	91,389,399
Total equity		**5,000,640**	**88,838,760**	**93,839,399**
Non-current liabilities				
Other Non-Current Liabilities		-	-	-
Deferred tax liabilities (net)	A	-	2,370,540	2,370,540
Total non-current liabilities		-	2,370,540	2,370,540
Current liabilities				
Financial liabilities				
Trade payables		21,158	-	21,158
Total current liabilities		**21,158**	**-**	**21,158**
TOTAL EQUITY AND LIABLITIES		**5,021,798**	**91,209,299**	**96,231,097**

(All amounts are in Indian rupees unless otherwise stated)

30 (III) Reconciliation of profit or loss for the year ended March 31, 2017

	Foot Note	Previous GAAP	Adjustments	Ind AS
Income				
Revenue from operations		168,558	-	168,558
Other income		110	-	110
Finance income		163,956	-	163,956
Total Income		**332,624**	**-**	**332,624**
Expenses				
Purchase of traded goods		175,554	-	175,554
(Increase)/Decrease in inventories of finished goods		-18,622	-	-18,622
Employee benefits expense		552,996	-	552,996
Finance costs		1,714	-	1,714
Depreciation and amortization expense		1,041	-	1,041
Other expenses		841,828	-	841,828
Total expense		**1,554,511**	**-**	**1,554,511**
Profit before tax		**-1,221,887**	-	**-1,221,887**
Current tax		-	-	-
Deferred tax		-	-	-
Income tax expense		-	-	-
Profit/(Loss) for the year		**-1,221,887**	**-**	**-1,221,887**
Other Comprehensive income:				
(i) Other comprehensive income not to be reclassified to profit or loss in subsequent periods:		-	-	-
(ii) Other comprehensive income to be reclassified to profit or loss in subsequent periods:	A	-	4,479,148	4,479,148
Other comprehensive loss for the year, net of tax (II)		-	4,479,148	4,479,148
Total comprehensive income for the year, net of tax (I + II)		-1,221,887	4,479,148	3,257,261

30 IndAS Notes

A. Investments carried at fair value through OCI

Under Indian GAAP, the group has been carrying the investments in equity instruments at cost value only. Under Ind AS, the group has valued these shares at fair value. The difference between fair value and carrying amount under Indian GAAP has been recognised in OCI

B. Deferred tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the group has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity. On the date of transition, the net impact on deferred tax liabilities is Rs. 23,21,972/-

C. Statement of Cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

31 Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the group's financial statements are disclosed below. The group intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on March 28, 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after April 01, 2018. The group plans to adopt the new standard on the required effective date using the full retrospective method. During the current year , the group performed a preliminary assessment of Ind AS 115, which is subject to changes arising from a more detailed ongoing analysis.

The group is engaged in the business of trading.

32 Events after the reporting period

There has been no significant subsequent events after the reporting period requiring either disclosure or adjustment to the reported financial statements.

33 Previous years figures

Previous year's figures have been regrouped and reclassified where necessary to conform to this year's classification.

As per our report of even date

For V. Krishnan & Co
Chartered Accountants
ICAI Firm registration number: 001541S

For and on behalf of the board of directors of
Castle Traders Limited

G.PARI
Partner
Membership no.: 026769
Place: Chennai
Date: May 29, 2018

Bharat Kumar Chordia
Director
DIN:00049455

V. Rajamanickam
Director
DIN:00049594

Vijay Prasath
Chief Financial Officer

Vijayalakshmi Saravanan
group Secretary