

38th Annual Report

&

Accounts

2015 - 2016

DWITIYA TRADING LIMITED



DWITIYA TRADING LIMITED



CIN-L67120WB1978PLC031628

Board of Directors:

Mr. Rabi Jalan	Managing Director
Mr. Lokesh Pasari	Independent Director
Ms. Bandana Mishra	Independent Director
Mr. Chandra Dutta Sharma	Independent Director
Mr. Ashutosh Dey	Independent Director

Audit Committee:

Mr. Lokesh Pasari	Chairperson
Mr. Rabi Jalan	Executive Director
Ms. Bandana Mishra	Independent Director
Mr. Chandra Dutta Sharma	Independent Director
Mr. Ashutosh Dey	Independent Director

Nomination and Remuneration Committee:

Mr. Lokesh Pasari	Chairperson
Ms. Bandana Mishra	Independent Director
Mr. Chandra Dutta Sharma	Independent Director
Mr. Ashutosh Dey	Independent Director

Stakeholders' Relationship Committee:

Mr. Lokesh Pasari	Chairperson
Ms. Bandana Mishra	Independent Director
Mr. Chandra Dutta Sharma	Independent Director

Risk Management Committee:

Mr. Chandra Dutta Sharma	Chairperson
Ms. Bandana Mishra	Independent Director
Mr. Ashutosh Dey	Independent Director

Chief Financial Officer:

Manish Damani

Company Secretary:

Minakshi Banthia

Registered Office:

40, Strand Road,
4th Floor, Room No. 15B,
Kolkata – 700 001
Ph.: 033 40636075
E-mail ID: info@dwitiyatrading.com
Website: www.dwitiyatrading.com

Registrar and Transfer Agent:

Purva Sharegistry (India) Pvt. Ltd.
Unit No.9, Shiv Shakti Ind. Estt.,
J. R. Boricha Marg,
Opp. Kasturba Hospital Lane,
Lower Parel (E), Mumbai – 400 011

Auditors :

M/s. Arun Jain & Associates
Chartered Accountants
2B Grant Lane, 2nd Floor, Room No. 74
Kolkata – 700 012

Bankers :

State Bank of Hyderabad

DWITIYA TRADING LIMITED

40, Strand Road, 4th Floor, Room No. 15B, Kolkata - 700 001

CIN : L67120WB1978PLC031628 Dial - 033 40636075

Website : www.dwitiyatrading.com E-mail ID : info.dwitiya@gmail.com

DIRECTORS' REPORT

Dear Members,

Directors of the Company are pleased to present the 38th Annual Report for the financial year ended March 31, 2016.

1. Financial Summary or Highlights

The highlights of the financial performance of the Company for the financial year ended March 31, 2016 as compared to the previous financial year are as under:-

(Rs. in Lacs)

Particulars	Standalone	
	2015-16	2014-15
Total Revenue	82.29	73.78
(Less): Total Expenditure	81.20	70.09
Profit before Exceptional & Extraordinary Items	1.09	3.69
Add/(Less): Exceptional Items	-	-
Add/(Less): Extraordinary Items (Loss on Sale of Fixed Assets)	-	-
Profit Before Tax	1.09	3.69
(Less): Provision for Current Tax	0.34	1.14
(Less): Deferred Tax	-	0.10
Net Profit after Tax	0.75	2.44
Add/(Less): Brought forward from previous year	27.18	24.74
Balance carried to Balance Sheet	27.93	27.18

2. Performance

a. Annual Financial Results

During the financial year under review, the Company recorded Rs. 82.29 lacs total revenue as compared to Rs. 73.78 lacs in previous year which reflects 11.53% increase in total revenue generation. Whereas due to increase in expenditure borne by the Company during the reporting financial year it recorded low profit before tax. The profit before tax during the year was Rs. 1.09 lacs as compared to Rs. 3.69 lacs previous year.

The profit after tax during financial year under review is Rs. 0.75 lacs as against Rs. 2.44 lacs in the previous year.

b. Names of Companies which have become or ceased to be the Company's Subsidiaries, Joint Ventures or Associate Companies during the year under review

The Company does not have any subsidiaries and associate companies (as defined in Section 2(6) of the Act) nor is associated with any joint ventures and therefore disclosure requirement pursuant to Rule 8 of the Companies (Accounts) Rules, 2014 is not applicable for the Company.



DWITIYA TRADING LIMITED



3. Dividend

Board of Directors in the long term interest of shareholders has not recommended any dividend in respect of financial year under review.

4. The amount proposed to be carried to reserves

No amount have been transferred in any reserves during the year under review

5. Change in Share Capital

During the year under review, there has been no change in the Authorised or Paid-up Share Capital of the Company. The Authorised Share Capital of the Company stands at Rs. 5,05,00,000/- divided into 50,50,000 Equity Shares of Rs. 10 each. The Paid-up Share Capital of the Company is Rs. 5,01,00,000/- divided into 50,10,000 Equity Shares of Rs. 10/- each.

6. Listing

The Company's shares are listed in the Calcutta Stock Exchange Limited and the BSE Limited. Further, the Company is suspended from trading in securities in the BSE Ltd. w.e.f August 27, 2015 under surveillance measure. The Company has dully submitted all the required documents/information to BSE Ltd. for revocation of its suspension.

7. Corporate Governance Report

Your Company has been complying with all the requirements of the code of Corporate Governance, as specified by SEBI.

A separate report on Corporate Governance is furnished as a part of the Directors' Report and the certificate from a Practicing Chartered Accountant regarding compliance of condition of Corporate Governance is annexed to the said Report.

8. Extract of the Annual Return

The Extract of the Annual Return as on the financial year ended on March 31, 2016, in Form MGT-9 pursuant to section 92(3) of the Companies Act, 2013 (hereinafter referred to as the "Act") and Rule 12(1) of the Companies (Management and Administration) Rules, 2014 is appended to the Directors' Report in **Annexure 1**.

9. Number of Meetings of the Board

The Board of Directors of the Company met Seven (7) times during the Financial Year under review, i.e. on : 14/05/2015, 30/05/2015, 11/06/2015, 13/08/2015, 14/11/2015, 10/02/2016 and 30/03/2016.

Further, one exclusive meeting of the Independent Directors, pursuant to Schedule IV of the Companies Act, 2013 and sub-regulation 3 of Regulation 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the Listing Regulations") was held on 30/03/2016.

The Meetings were held in accordance with the provisions of the Act and the Listing Regulations, 2015.

The details of the Meetings of the Board of Directors during the Financial Year 2015-16 is encompassed in the Corporate Governance Report which is annexed to the said Report.

10. Disclosure pursuant to Section 177(8) of the Companies Act, 2013-Composition of the Audit Committee

The Audit Committee of the Company comprises of four Non-Executive Independent Directors and one



DWITIYA TRADING LIMITED



executive non Independent Managing Director as on March 31, 2016. The Committee is chaired by a Non-Executive Independent Director, Mr. Lokesh Pasari.

The details of the same are morefully provided in the Corporate Governance Report.

During the Financial Year under review, the Committee met Four (4) times and all such meetings were held in accordance with the provisions of the Act, Clause 49 of the erstwhile Listing Agreement and the Listing Regulations.

Further, the Board of Directors has accepted all the recommendations of the Audit Committee in the Financial Year 2015-16.

11. Composition of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Company comprises of four Non-Executive Independent Directors as on March 31, 2016. The Committee is chaired by a Non-Executive Independent Director, Mr. Lokesh Pasari.

The details of the Committee are provided in the Corporate Governance Report.

12. Composition of the Stakeholders Relationship Committee

The Stakeholders Relationship Committee of the Company comprises of three Non-Executive Independent Directors as on March 31, 2016. The Committee is under the Chairpersonship of Mr. Lokesh Pasari, Non-Executive Independent Director.

The details of the Committee is provided in the Corporate Governance Report.

13. Directors' Responsibility Statement

Pursuant to the provisions of Section 134 (3) (c) read with section 134 (5) of the Act, the Directors hereby confirm and state that:

- a. In the preparation of Annual Accounts, the applicable Accounting Standards have been followed along with the proper explanation relating to material departures, if any.
- b. The Directors have selected such accounting policies and have 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 as on the Financial Year ended on March 31, 2016 and of the profit of the company for the year under review.
- c. The Directors have taken proper and sufficient care for the 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 fraud and other irregularities.
- d. The Directors have prepared the annual accounts on a going concern basis.
- e. The Directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively.
- f. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

14. Declaration by the Independent Directors

Section 149(7) of the Act requires every independent director to give a declaration that he/she meets the criteria of Independence, at the first Board Meeting of every financial year.

Accordingly, the Company has taken on record, the Statement of Declaration of Independence, as



submitted by all the Independent Directors.

15. Policy on Directors' Appointment & Remuneration

Pursuant to the provisions of Section 178(4) of the Act read with the Rules made thereunder and Clause 49 of the erstwhile Listing Agreement, the Nomination and Remuneration Committee has formulated the criteria for determining qualifications, positive attributes and independence of a director and has further formulated a policy relating to the remuneration for directors, key managerial personnel and other employees, which has been duly approved by the Board of Directors.

While formulating the Policy, the Nomination and Remuneration Committee has assured that:

- a. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
- b. The relationship of remuneration to performance is clear and meets appropriate benchmarks; and
- c. The remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay, reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The details of the same have been provided in the Corporate Governance Report for the Financial Year 2015-16.

The Nomination and Remuneration Policy is reproduced in **Annexure 2**.

16. Auditors & Auditors' report

a. Statutory Auditors

The appointment of M/s Arun Jain & Associates (Firm Registration No. 325867E), Chartered Accountants of Chartered Accountants of 2B, Grant Lane, 2nd Floor, Room No-74, Kolkata – 700012, is subject to ratification by the members at the ensuing Annual General Meeting.

In this connection, M/s Arun Jain & Associates have furnished a Certificate of Eligibility pursuant to Section 141 of the Act read with the Rules framed thereunder.

Based on the recommendation of the Audit Committee, the Board of Directors recommends their ratification to the shareholders.

b. Independent Auditors' Report

The Self Explanatory Independent Auditors' Report does not contain any adverse remarks or qualification.

c. Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act read with the Rules made thereunder, Mr. Rohit Singhi (C.P. No. 16021, Membership No. A43484), Company Secretary in whole-time Practice, was appointed for the issuance of the Secretarial Audit Report for the Financial Year ended 31st March 2016.

d. Secretarial Audit Report

The Secretarial Audit Report is appended to the Directors' Report in **Annexure 3**. The Report of the Secretarial Audit Report does not contain any adverse remark save and except the followings:-

1. There was delay in filing e-form INC-22 regarding shifting of registered office and e-form DIR-12 regarding appointment of Chief Financial Officer.



2. The Company is suspended from trading in securities in the BSE Ltd. w.e.f August 27, 2015 under surveillance measure.

17. Particulars of Loans, guarantees or investments under section 186

Details of Loans, Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

18. Particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 in the prescribed form

All related party transactions, contracts or arrangements that were entered into, during the financial year under review, were on an arms-length basis and in the ordinary course of business.

The Company has adhered to its “Policy on Related Party Transactions and Materiality of Related Party Transactions” while perusing all Related Party transactions. The policy on Related Party Transactions as approved by the Board is uploaded on the Company’s website.

During the year under review, the Company has not entered into any material related party transaction as defined in Clause 49 of the erstwhile Listing Agreement, and/or section 188 of the Companies Act, 2013 and/or Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. All Related Party Transactions were placed before the Audit Committee and the Board for approval. Accordingly, no transactions are being reported in Form No. AOC-2 in terms of Section 134 of the Act read with the Rules made thereunder.

19. State of Company Affairs & Future Outlook

The Company is into trading business. Further, the Company in the reporting year diversified its mode of marketing by using the E-business model and introducing an online portal—www.bagyourdeals.com to sustain in the growing and emerging economy of India. During the financial year under review, the Company recorded Rs. 82.29 lacs total revenue as compared to Rs. 73.78 lacs in previous year which reflects 11.53% increase in total revenue generation. Whereas due to increase in expenditure borne by the Company, specifically increase in remuneration paid to the KMPs of the Company, during the reporting financial year it recorded low profit before tax. The profit before tax during the year was Rs. 1.09 lacs as compared to Rs. 3.69 lacs previous year.

The Company has shown consistent increase in the revenue generation and is making all due efforts in achieving its business objectives in the most efficient manner.

20. Material Changes and commitments, if any, affecting the financial position of the Company, which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report

No Material Changes and commitments affecting the financial position of the Company, have occurred between the end of the financial year of the company to which the financial statements relate and the date of this Directors’ Report.

21. Disclosure in terms of Rule 8(3) of the Companies(Accounts) Rules, 2014 regarding Conservation of Energy, Technology Absorption, Foreign Exchange Earnings And Outgo

In terms of Section 134 (3) (m) of the Act read with the Rules made there under, the Company has no activity relating to Conservation of Energy, Technology Absorption.

Further, during the year there was no Foreign Exchange Earnings And Outgo.

Therefore, the Company is not required to make any disclosure as specified in Section 134 (3) (m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014.



22. Risk Management Policy

In terms of Clause 49 of the erstwhile Listing Agreement, and in compliance with Section 134(3)(n) of the Act, the Company has a Risk Management Policy which provides for the identification therein of elements of risk, which in the opinion of the Board may threaten the existence of the Company.

Pursuant to Schedule IV(II)(4) of the Act, the Independent Directors, inter-alia amongst others, review the system from time to time to ensure that Risk Management is robust and satisfactory.

Further, in terms of Regulation 17(9)(b) of Listing Regulations, and Clause 49(I)(D)(2)(a) of the erstwhile Listing Agreement, the Board of Directors is responsible for framing, implementing and monitoring the Risk Management Plan of the Company, and has have delegated the power of monitoring and reviewing of the risk management plan to the Risk Management Committee.

The Risk Management Committee is responsible for laying down procedures to inform the Board's members about the risk assessment and minimization procedures. This is described morefully in the Corporate Governance Report.

23. Policy on Corporate Social Responsibility (CSR) Initiatives

Pursuant to provisions of Section 135 of the Act, the Company is not required to constitute a Corporate Social Responsibility Committee or to undertake any CSR activities.

Therefore, the Company is not required to make any disclosure as specified in Section 134(3) (o) of the Act.

24. Manner of formal annual evaluation by the Board of its own performance and that of its committees and individual directors.

Pursuant to Section 134(3)(p) of the Act read with Rule 8(4) of the Companies (Accounts) Rules, 2014, other applicable provisions of the Act, and various applicable clauses of the Listing Regulations, and the erstwhile Listing Agreement, the disclosure regarding the manner of formal annual evaluation by the Board of its own performance and that of its various committees and individual directors is provided hereto:

a. Evaluation Criteria

Pursuant to Part D of Schedule II of the Listing Regulations, the Nomination and Remuneration Committee has formulated the criteria for evaluation of the performance of the Independent Directors and the Board. The Nomination and Remuneration Committee also identifies persons qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommends to the Board their appointment and removal and carries out the evaluation of every director's performance in accordance with Section 178(2) of the Act read with the Rules framed there under and Part D of Schedule II of the Listing Regulations.

The Board shall monitor & review the Board Evaluation Framework and evaluate the performance of all the Board Committees.

Further, pursuant to Clause 49(IV)(B)(1) of the erstwhile Listing Agreement, the Nomination and Remuneration Committee has formulated criteria for determining qualifications, positive attributes and independence of a director and recommended to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees. The details of the same are morefully described in the Corporate Governance Report.

Further, the Nomination and Remuneration Committee has also devised a Policy on Board Diversity as provided in Clause 49(IV)(B)(3) of the erstwhile Listing Agreement.



b. Performance Evaluation of the individual directors

Pursuant to section 178(2) of the Act, the Nomination and Remuneration Committee of the Company carries out the performance evaluation of the individual directors.

c. Board of Directors

A separate meeting of the Independent Directors of the Company was held on 30/03/2016, pursuant to Clause VII of Schedule IV to the Act and Regulation 25 of the Listing Regulations, for transacting the following businesses as set forth in the Agenda:

1. Review the performance of the non-Independent Directors and the Board as a whole.
2. Review the performance of the Chairman of the Company, taking into account the views of the executive directors and Non-Executive directors.
3. Assessment of the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The same was perused in accordance with the Evaluation criteria determined by the Nomination and Remuneration Committee.

The Independent Directors of the Company in fulfilling their role and functions as specified in Clause II of Schedule IV to the Act, help in bringing an objective view in the evaluation of the performance of the Board and management.

The Independent Directors expressed satisfaction over the performance of all the non-Independent Directors and the Chairman.

d. Performance Evaluation of the Independent Directors

Pursuant to Clause VIII of Schedule IV to the Act and Regulation 19 of the Listing Regulations, read with Part D of Schedule II thereto the performance evaluation of the Independent Directors is perused by the entire Board of Directors, excluding the director being evaluated.

On the basis of the report of performance evaluation, the extension of the term of appointment or its continuance in respect of the Independent Directors is being considered.

e. Performance Evaluation of the Committee

The Board of Directors evaluates the performance of all the Board Committees, based on the Company's Performance Evaluation Policy.

25. Nomination and Remuneration Policy

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors have adopted a Nomination and Remuneration Policy in terms of Section 178 of the Act, read with Rules made thereunder and Clause 49(IV)(B) of the erstwhile Listing Agreement.

The Nomination and Remuneration Policy is reproduced in **Annexure 2** and the shareholders may also visit the Company's website, viz; **www.dwitiyatrading.com** for the detailed Nomination and Remuneration Policy of the Company.

26. Change in the nature business

There has been no change in the nature of business of the Company in the Financial Year under review.

27. Directors & Key Managerial Personnel



DWITIYA TRADING LIMITED



a. Executive Non-Executive & Independent Directors

The Board of Director of the Company comprises of One Executive Director and four Non-Executive Independent Directors. Mr. Rabi Jalan (DIN: 07001695), Executive Director of the Company retires at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment as the Director of the Company. Further, the Non-Executive Independent Directors of the Company are appointed as non-retiring Independent Directors of the Company in last Annual General Meeting, in accordance with Section 149 of the Companies Act, 2013, to hold office till the conclusion of 42nd AGM, i.e. for the tenure of 5 years or till such earlier date to conform with the policy on retirement and as may be determined by any applicable statutes, rules, regulations or guidelines.

b. Chief Financial Officer.

Mr. Manish Damani holds office as the Chief Financial Officer of the Company.

c. Company Secretary.

Mr. Minakshi Banthia was appointed as the Company Secretary of the Company with effect from May 30, 2015.

28. Details relating to deposits covered under Chapter V of the Act:

The Company has not accepted any deposits during the financial year under review. No public deposits are outstanding or held by the Company as on March 31, 2016.

29. Details of deposits which are not in compliance with the requirements of Chapter V of the Act.

Since the Company has neither accepted any deposits during the financial year under review, nor has any outstanding deposits as on March 31, 2016, therefore there are no disclosures as specified in Rule 8(5)(vi) of the Companies (Accounts) Rules, 2014, for non-compliance with the requirements of Chapter V of the Act.

30. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's future operations:

No significant and material orders have been passed by the regulators or courts or tribunals impacting the going concern status and the Company's future operations.

31. Details in respect of adequacy of internal financial controls with reference to the Financial Statements.

The Audit Committee of the Company ensures that there is a direct relationship between the Company's objectives and the internal financial controls it implements to provide reasonable assurance about their achievement.

In this connection, the Audit Committee in coordination with the Internal Audit Department periodically reviews the following:

- a. Transactions are executed in accordance with the management's general or specific authorization;
- b. All transactions are promptly recorded in the correct amount in the appropriate accounts and in the accounting period in which they are executed so as to permit preparation of financial information within a framework of recognized accounting policies and practices and relevant statutory requirements, if any,
- c. Accountability of assets is adequately maintained and assets are safeguarded from unauthorized access, use or disposition