

39th Annual Report

&

Accounts

2016 - 2017

DWITIYA TRADING LIMITED



DWITIYA TRADING LIMITED



CIN-L67120WB1978PLC031628

Board of Directors:

| | |
|--------------------------|---|
| Mr. Rabi Jalan | Managing Director |
| Mr. Lokesh Pasari | Non-Executive Independent Director |
| Ms. Bandana Mishra | Non-Executive Independent Director |
| Mr. Chandra Dutta Sharma | Non-Executive Independent Director |
| Mr. Ashutosh Dey | Non-Executive Independent Director |
| Mr. Sourav Sonthalia | Additional Non-Executive Independent Director |

Audit Committee:

| | |
|--------------------------|--|
| Mr. Lokesh Pasari | Chairperson-Non Executive Independent Director |
| Ms. Bandana Mishra | Non-Executive Independent Director |
| Mr. Chandra Dutta Sharma | Non-Executive Independent Director |
| Mr. Rabi Jalan | Executive Non- Independent - Managing Director |

Nomination And Remuneration Committee:

| | |
|--------------------------|--|
| Mr. Lokesh Pasari | Chairperson-Non Executive Independent Director |
| Ms. Bandana Mishra | Non-Executive Independent Director |
| Mr. Chandra Dutta Sharma | Non-Executive Independent Director |
| Mr. Ashutosh Dey | Non-Executive Independent Director |

Stakeholder's Relationship Committee:

| | |
|--------------------------|--|
| Mr. Lokesh Pasari | Chairperson-Non Executive Independent Director |
| Ms. Bandana Mishra | Non-Executive Independent Director |
| Mr. Chandra Dutta Sharma | Non-Executive Independent Director |

Risk Management Committee:

| | |
|--------------------------|--|
| Mr. Chandra Dutta Sharma | Chairperson-Non Executive Independent Director |
| Ms. Bandana Mishra | Non-Executive Independent Director |
| Mr. Ashutosh Dey | Non-Executive Independent Director |

Chief Financial Officer:

Mr. Manish Damani

Company Secretary:

Ms. Minakshi Banthia

Registered Office:

27, Weston Street,
5th Floor, Room No. 526,
Kolkata – 700 012
Contact No.: +91 8231927952
E-mail ID: info.dwitiya@gmail.com
Website: www.dwityatrading.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 India

DWITIYA TRADING LIMITED

Formerly Known as B.B. Investments Ltd.

27, Weston Street, 5th Floor, Room No. 526, Kolkata - 700 012

CIN : L67120WB1978PLC031628 Dial - +91 8231927952

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

DIRECTORS' REPORT

Dear Members,

Directors of the Company are pleased to present the 39th Annual Report for the financial year ended March 31, 2017.

1. Financial Summary or Highlights

The highlights of the financial performance of the Company for the financial year ended March 31, 2017 as compared to the previous financial year are as under:-
(Rs. in Lacs)

| Particulars | 2016-17 | 2015-16 |
|--|---------|---------|
| Total Revenue | 101.09 | 82.29 |
| (Less): Total Expenditure | 92.16 | 81.20 |
| Profit before Exceptional & Extraordinary Items | 8.94 | 1.09 |
| Add/(Less): Exceptional Items | - | - |
| Add/(Less): Extraordinary Items (Loss on Sale of Fixed Assets) | - | - |
| Profit Before Tax | 8.94 | 1.09 |
| (Less): Provision for Current Tax | 2.76 | 0.34 |
| (Less): Deferred Tax | - | - |
| Net Profit after Tax | 6.18 | 0.75 |
| Add/(Less): Brought forward from previous year | 27.93 | 27.18 |
| (Less): Proposed Dividend | 5.01 | - |
| (Less): Income Tax on Proposed Dividend | 0.87 | - |
| Balance carried to Balance Sheet | 28.23 | 27.93 |

2. Financial Performance

a. Annual Financial Results

During the financial year under review, the Company recorded Rs. 101.09 lacs total revenue as compared to Rs. 82.29 lacs in previous year which reflects 22.85% increase in total revenue generation. The Company incurred Rs. 92.16 lacs total expenditure during the reporting financial year as compared to Rs. 81.20 lacs previous year.

The performance of the Company has improved and the same is reflected in the profit generated by the Company in reporting financial year. The Company recorded Rs. 8.94 lacs of Profit Before Tax as compared to Rs. 1.09 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 Companies Act, 2013 (hereinafter referred to as "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.



3. Dividend

The Board of Directors of the Company in its meeting held on May 29, 2017 has recommended a dividend of Re. 0.02/- per equity share having face value of Rs. 2/- each for the Financial Year ended on March 31, 2017. The Final Dividend, subject to the approval of Members at the Annual General Meeting held on September 25, 2017, will be paid on or after September 25, 2017 to the Members whose names appear in the Register of Members, as on the record date i.e., September 18, 2017.

If the dividend, as recommended above, is declared by the Members at the Annual General Meeting, the total outflow towards dividend on Equity Shares for the year would be Rs. 5.88 lacs (including dividend tax).

4. The amount proposed to be carried to reserves

During the year, the Company has not transferred any amount in any reserves.

5. Change in Share Capital

During the year under review, the Company sub-divided its Equity Shares of Rs. 10/- each to Rs. 2/- each on the Record Date, February 20, 2017 after the approval from the shareholders of the Company in its Extra-Ordinary General Meeting held on December 12, 2016.

Consequently, the Authorised Share Capital of the Company stands at Rs. 5,05,00,000/- divided into 2,52,50,000 Equity Shares of Rs. 2/- each and the Paid-up Share Capital of the Company is Rs. 5,01,00,000/- divided into 2,50,50,000 Equity Shares of Rs. 2/- each on March 31, 2017.

6. Listing

The Equity shares of the Company are listed in the Calcutta Stock Exchange Limited and the BSE Limited. Further, the suspension under surveillance measure was revoked w.e.f. 30th September, 2016 by BSE Ltd. and the same was informed by the BSE Ltd. vide its Notice No. 20160927-21 dated 27th September, 2016.

7. Corporate Governance Report

The Company has been voluntarily complying with all the requirements of the code of Corporate Governance, as specified by the Securities and Exchange Board of India the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the Listing Regulations").

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, 2017, in Form MGT-9 pursuant to section 92(3) of 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: 09/05/2016, 28/05/2016, 13/08/2016, 31/10/2016, 14/11/2016, 25/01/2017 and 30/03/2017, and One (1) Meeting of the Board of Directors was held by passing Circular Resolution on 01/09/2016.

Further, one exclusive meeting of the Independent Directors, pursuant to Schedule IV of the Act and sub-regulation 3 of Regulation 25 of the Listing Regulations was held on 30/03/2017.



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 2016-17 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 Executive Non-Independent Managing Director as on March 31, 2017. 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 and the Listing Regulations.

Further, the Board of Directors has accepted all the recommendations of the Audit Committee in the Financial Year 2016-17.

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, 2017. 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, 2017. The Committee is under the Chairpersonship of Mr. Lokesh Pasari, Non-Executive Independent Director.

The details of the Committee are 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, 2017 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 that 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 Listing Regulation 2015, 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 Nomination and Remuneration Policy is available on the website of the Company at <http://www.dwityatradings.com>. Further the Nomination and Remuneration Policy is appended to the Directors Report 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 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors has appointed Ms. Sneha Agarwal (C.P. No. 17425, Membership No. A45611), Company Secretary in Whole-time Practice, to undertake the Secretarial Audit of the Company for Financial Year 2016-17.



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.

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.

Further, during the year under review, the Company has not entered into any contract/arrangement/transactions with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

19. State of Company Affairs & Future Outlook

During the financial year under review, the Company recorded Rs. 101.09 lacs total revenue as compared to Rs. 82.29 lacs in previous year which reflects 22.85% increase in total revenue generation. The Company incurred Rs. 92.16 lacs total expenditure during the reporting financial year as compared to Rs. 81.20 lacs previous year.

The performance of the Company has improved and the same is reflected in the profit generated by the Company in reporting financial year. The Company recorded Rs. 8.94 lacs of Profit Before Tax as compared to Rs. 1.09 lacs in the previous year.

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 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, the Board of Directors is responsible for framing, implementing and monitoring the Risk Management Plan of the Company and 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 Board members about the risk assessment and minimization procedures. This is morefully described in 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. Board Diversity policy

The Company acknowledges and embraces the benefits of having a diverse board for effective decision making, and views diversity at the board level as an important element in strong corporate governance. Diversity encompasses diversity of perspective, experience, background, gender, age, ethnicity and geographic background, psychological type and personal attributes. Appointments to the Board are made in the context of complementing and expanding the skills, knowledge and experience of the Board as a whole.

The Board has adopted the Board Diversity Policy which sets out the approach to diversity of Board of Directors.

The Board Diversity Policy is available on the website of the Company.

25. 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 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, 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 more fully described in the Corporate Governance Report.

Further, the Nomination and Remuneration Committee has also devised a Policy on Board Diversity in accordance with Regulation 19(4) of the Listing Regulations.

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 30/03/2017, 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.

26. 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 read with part-D of schedule II of the Listing Obligation as amended from time to time.



DWITIYA TRADING LIMITED



The shareholders may visit the Company's website to view The Nomination and Remuneration Policy, viz; www.dwityatrading.com for the detailed Nomination and Remuneration Policy of the Company.

27. Change in the nature business

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

28. Directors & Key Managerial Personnel

a. Executive, Non-Executive & Independent Directors

Mr. Rabi Jalan (DIN: 07001695), being Executive Director of the Company, retires at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment as the Director without any variation in the terms of his appointment.

Further, the Board of Directors of the Company has appointed Mr. Sourav Sonthalia on August 12, 2017 as Additional Director of the Company. He is holding office as Independent Directors of the Company and is entitled to hold office as Additional Directors up to the date of ensuing Annual General Meeting. Accordingly, it is proposed to appoint Mr. Sourav Sonthalia as non-retiring Independent Director of the Company in accordance with Section 149 of the Companies Act, 2013, to hold office from August 12, 2017 to August 11, 2022, i.e. for the tenure of 5 years.

b. Chief Financial Officer

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

c. Company Secretary

Ms. Minakshi Banthia was appointed as the Company Secretary of the Company.

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

The Company has neither accepted any deposits during the financial year under review, nor has any outstanding deposits as on March 31, 2017.

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 except that Securities Appellate Tribunal, Mumbai passed an Order dated 15.06.2016, instructing the BSE to look into the documents furnished by the Company and pass appropriate order. Further BSE Ltd. revoked the suspension w.e.f. 30th September, 2016.

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